Financial Services and Markets Act 2000

2000 CHAPTER 8

An Act to make provision about the regulation of financial services and markets; to provide for the transfer of certain statutory functions relating to building societies, friendly societies, industrial and provident societies and certain other mutual societies; and for connected purposes. [14th June 2000]

Be it enacted by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

Modifications etc. (not altering text)

C1 Act restricted (11.8.2001) by S.I. 2001/2659, **art. 2(4)(c)**
Act excluded (1.12.2001) by S.I. 2001/2617, **arts. 2(b)**, 10(9); S.I. 2001/3538, **art. 2(1)**
Act: specified provisions excluded (1.12.2001) by S.I. 2001/2957, **arts. 1**, 13(8)(b); S.I. 2001/3538, **art. 2(1)**
Act restricted (1.12.2001) by S.I. 2001/3646, **arts. 2(7)(b)**, 4(6)(b), 6(4)(b), 7(4)(c), 8(4)(b), 9(4)(b)
Act applied (with modifications) by S.I. 1994/188, **reg. 4** (as amended (1.12.2001) by S.I. 2001/3649, **arts. 1**, 454)

C2 Act modified (18.7.2002 for certain purposes and 21.8.2002 otherwise) by The Electronic Commerce Directive (Financial Services and Markets) Regulations 2002 (S.I. 2002/1775), regs. 1, **17**

C3 Act extended (E.W.S.) (1.1.2003) by 2000 c. 39, s. 15(2); S.I. 2002/2711, **art. 2** (subject to arts. 3-5)

C4 Act: power to modify, exclude or apply conferred (N.I.) (10.8.2004) by Open-Ended Investment Companies Act (Northern Ireland) 2002 (c. 13 (N.I.)), **ss. 1(2)(l)(3)(b)(f)(4)**, 4; S.R. 2004/333, **art. 2**

C5 Act extended (18.2.2004) by The Insurers (Reorganisation and Winding Up) Regulations 2004 (S.I. 2004/353), **regs. 2(5)**, 3

C6 Act extended (5.5.2004) by The Credit Institutions (Reorganisation and Winding up) Regulations 2004 (S.I. 2004/1045), **reg. 2(5)**

C7 Act extended by The European Communities (Lawyer's Practice) Regulations 2000 (S.I. 2000/1119), reg. 14, Sch. 3 Pt. 1 (as amended (16.9.2004) by The European Communities (Lawyer's Practice) (Amendment) Regulations 2004 (S.I. 2004/1628), **reg. 6**)

C8 Act modified (31.10.2004) by The Financial Services and Markets Act 2000 (Transitional Provisions) (Mortgages) Order 2004 (S.I. 2004/2615), arts. 1(2)(b), 5, **Sch. para. 5**

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

C9 Act modified (31.12.2004) by The Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2004 (S.I. 2004/3219), **reg. 16(4)**

C10 Act modified (14.1.2005) by The Financial Services and Markets Act 2000 (Transitional Provisions) (General Insurance Intermediaries) Order 2004 (S.I. 2004/3351), arts. 1(2)(b), 5, **Sch. para. 5**

C11 Act restricted (E.W.) (1.3.2007) by National Health Service Act 2006 (c. 41), **ss. 71(8)**, 277

C12 Act modified (6.4.2007) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2006 (S.I. 2006/1969), arts. 1(3), 7, **Sch. para. 5**

C13 Act modified (30.6.2008 for certain purposes and 1.1.2009 otherwise) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No. 2) Order 2007 (S.I. 2007/3510), arts. 1(2), **8(1)(2)**, **9**

C14 Act modified (1.7.2009 for certain purposes and 30.6.2010 otherwise) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2009 (S.I. 2009/1342), arts. 1(2), 34, Sch. paras. 4, **5**

C15 Act excluded (27.3.2012 for specified purposes) by Health and Social Care Act 2012 (c. 7), **ss. 134(5)**, 306(1)(d)(4)

C16 Act excluded by 2008 c. 10, s. 8(1A) (as inserted (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No.2) Order 2013 (S.I. 2013/1881), art. 1(2)(6), **Sch. para. 14(a)**)

C17 Act modified by 1990 c. 41, s. 107(17) (as inserted (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No.2) Order 2013 (S.I. 2013/1881), art. 1(2)(6), **Sch. para. 2(3)(b)**)

C18 Act applied (with modifications) (temp. until 3.1.2018) by S.I. 2011/2699, reg. 6, Sch. 1 (as substituted (3.7.2016) by The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **21(3)**)

C19 Act applied (with modifications) (8.12.2017) by The Risk Transformation Regulations 2017 (S.I. 2017/1212), **reg. 15(4)** (with reg. 189)

C20 Act applied (with modifications) (8.12.2017) by The Risk Transformation Regulations 2017 (S.I. 2017/1212), **reg. 16(2)**(3) (with reg. 189)

C21 Act modified (E.W.S.) (10.7.2018) by Financial Guidance and Claims Act 2018 (c. 10), **s. 31**

C22 Act: power to amend conferred (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 67(2)**, 86(3); S.I. 2023/779, reg. 4(ss)

C23 Act: power to amend or repeal conferred (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 15**, 17, 86(3); S.I. 2023/779, **reg. 4(j)(l)**

C24 Act: power to apply (with modifications) conferred (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), s. 86(3), **Sch. 11 para. 165**; S.I. 2023/779, **reg. 4(ddd)(xiv)**

C25 Act: power to modify conferred (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 13**, 17, 86(3); S.I. 2023/779, reg. 4(h)(l)

C26 Act modified (temp.) (8.1.2024) by The Financial Services and Markets Act 2023 (Digital Securities Sandbox) Regulations 2023 (S.I. 2023/1398), regs. 1(2), 6, **Sch. Pt. 3** (with reg. 13) (as amended (3.3.2025) by The Financial Services and Markets Act 2023 (Digital Securities Sandbox) (Amendment) Regulations 2025 (S.I. 2025/93), regs. 1(2), **6(1)**)

C27 Act applied (with modifications) (30.6.2024) by The Insurance and Reinsurance Undertakings (Prudential Requirements) Regulations 2023 (S.I. 2023/1347), regs. 1(2), **8**

C28 Act applied (with modifications) (temp.) (5.6.2025) by The Financial Services and Markets Act 2023 (Private Intermittent Securities and Capital Exchange System Sandbox) Regulations 2025 (S.I. 2025/583), regs. 1(2), 12, **Sch. 1 para. 1** (with reg. 20)

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

[F1]PART I

THE REGULATOR

Textual Amendments

F1 Pt. 1A substituted for Pt. 1 (24.1.2013 for specified purposes, 19.2.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), **ss. 6(1)**, 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(b)(c)(2), Sch. Pts. 2, 3, 4; S.I. 2013/423, art. 3, Sch.

1 The Financial Services Authority.

. . . . . .

The Authority's general duties

2 The Authority's general duties.

. . . . . .

[F1] The regulatory objectives

[F1]3 Market confidence.

. . . . . .

[F1]3A Financial stability

. . . . . .

[F1]4 Public awareness.

. . . . . .

[F1]5 The protection of consumers.

. . . . . .

[F1]6 The reduction of financial crime.

. . . . . .

Enhancing public understanding of financial matters etc

6A Enhancing public understanding of financial matters etc

. . . . . .

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Corporate governance

7 Duty of Authority to follow principles of good governance.

. . . . . .

Arrangements for consulting practitioners and consumers

8 The Authority's general duty to consult.

. . . . . .

9 The Practitioner Panel.

. . . . . .

10 The Consumer Panel.

. . . . . .

11 Duty to consider representations by the Panels.

. . . . . .

Reviews

12 Reviews.

. . . . . .

13 Right to obtain documents and information.

. . . . . .

Inquiries

14 Cases in which the Treasury may arrange independent inquiries.

. . . . . .

15 Power to appoint person to hold an inquiry.

. . . . . .

16 Powers of appointed person and procedure.

. . . . . .

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17 Conclusion of inquiry.

. . . . . .

18 Obstruction and contempt.

. . . . . .

[F1PART 1A

THE REGULATORS

CHAPTER 1

THE FINANCIAL CONDUCT AUTHORITY

The Financial Conduct Authority

1A The Financial Conduct Authority

(1) The body corporate previously known as the Financial Services Authority is renamed as the Financial Conduct Authority.

(2) The Financial Conduct Authority is in this Act referred to as "the FCA".

(3) The FCA is to have the functions conferred on it by or under this Act.

(4) The FCA must comply with the requirements as to its constitution set out in Schedule 1ZA.

(5) Schedule 1ZA also makes provision about the status of the FCA and the exercise of certain of its functions.

(6) References in this Act or any other enactment to functions conferred on the FCA by or under this Act include references to functions conferred on the FCA by or under—

(a) the Insolvency Act 1986,

(b) the Banking Act 2009,

(c) the Financial Services Act 2012, F2...

[F3(cza) the Financial Guidance and Claims Act 2018,]

[F4(czb) the Civil Liability Act 2018,]

[F5(czc) the Financial Services and Markets Act 2023,]

[F6(ca) the Alternative Investment Fund Managers Regulations 2013, F7...]

(d) a [F8qualifying provision] that is specified, or of a description specified, for the purposes of this subsection by the Treasury by order.

[F9(e) regulations made by the Treasury under section 8 of the European Union (Withdrawal) Act 2018.]

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Textual Amendments

F2 Word in s. 1A(6) omitted (22.7.2013) by virtue of The Alternative Investment Fund Managers Regulations 2013 (S.I. 2013/1773), reg. 1, **Sch. 1 para. 2**

F3 S. 1A(6)(cza) inserted (1.10.2018) by Financial Guidance and Claims Act 2018 (c. 10), s. 37(5), **Sch. 3 para. 6**; S.I. 2018/1029, reg. 2(q)

F4 S. 1A(6)(czb) inserted (20.12.2018) by Civil Liability Act 2018 (c. 29), **ss. 11(10)(a)**, 14

F5 S. 1A(6)(czc) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 59(2)**, 86(3); S.I. 2023/779, reg. 4(oo)

F6 S. 1A(6)(ca) inserted (22.7.2013) by The Alternative Investment Fund Managers Regulations 2013 (S.I. 2013/1773), reg. 1, **Sch. 1 para. 2**

F7 Word in s. 1A(6)(ca) omitted (26.10.2018) by virtue of The Financial Regulators Powers (Technical Standards etc.) (Amendment etc.) (EU Exit) Regulations 2018 (S.I. 2018/1115), regs. 1(2), **7(2)(a)**

F8 Words in s. 1A(6)(d) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **3**; 2020 c. 1, Sch. 5 para. 1(1)

F9 S. 1A(6)(e) and word inserted (26.10.2018) by The Financial Regulators Powers (Technical Standards etc.) (Amendment etc.) (EU Exit) Regulations 2018 (S.I. 2018/1115), regs. 1(2), **7(2)(b)**

Modifications etc. (not altering text)

C29 S. 1A modified (26.6.2017) by The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (S.I. 2017/692), regs. 1(2), **63(8)** (with regs. 8, 15)

C30 S. 1A applied (8.6.2023 for specified purposes, 7.10.2023 in so far as not already in force) by The Financial Services and Markets Act 2000 (Financial Promotion) (Amendment) Order 2023 (S.I. 2023/612), arts. 1(2), **10(2)** (with art. 11)

C31 S. 1A(3) applied (with modifications) (6.4.2018 immediately after 2016 c. 16 (N.I.), s. 8(2) comes into force) by The Financial Services Act 2012 (Mutual Societies) Order 2018 (S.I. 2018/323), art. 1, **Sch. 1 para. 2(2)(a)** (with art. 3)

C32 S. 1A(5) applied (31.5.2021 for specified purposes) by The Civil Liability Act 2018 (Financial Conduct Authority) (Whiplash) Regulations 2021 (S.I. 2021/594), regs. 1, **2(2)(a)**

The FCA's general duties

1B The FCA's general duties

(1) In discharging its general functions the FCA must, so far as is reasonably possible, act in a way which—

(a) is compatible with its strategic objective, and

(b) advances one or more of its operational objectives.

(2) The FCA's strategic objective is: ensuring that the relevant markets (see section 1F) function well.

(3) The FCA's operational objectives are—

(a) the consumer protection objective (see section 1C);

(b) the integrity objective (see section 1D);

(c) the competition objective (see section 1E).

(4) The FCA must, so far as is compatible with acting in a way which advances the consumer protection objective or the integrity objective, discharge its general functions in a way which promotes effective competition in the interests of consumers.

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[When discharging its general functions in the way mentioned in subsection (1) the F10(4A) FCA must, so far as reasonably possible, act in a way which, as a secondary objective, advances the competitiveness and growth objective (see section 1EB).**]**

(5) In discharging its general functions the FCA must have regard to—

(a) the regulatory principles in section 3B, and

(b) the importance of taking action intended to minimise the extent to which it is possible for a business carried on—

(i) by an authorised person or a recognised investment exchange, or

(ii) in contravention of the general prohibition,

to be used for a purpose connected with financial crime.

(6) For the purposes of this Chapter, the FCA's general functions are—

(a) its function of making rules under this Act (considered as a whole),

[its function of making technical standards in accordance with Chapter 2A of F11(aa) Part 9A;**]**

(b) its function of preparing and issuing codes under this Act (considered as a whole),

(c) its functions in relation to the giving of general guidance under this Act (considered as a whole), and

(d) its function of determining the general policy and principles by reference to which it performs particular functions under this Act.

(7) Except to the extent that an order under section 50 of the Financial Services Act 2012 (orders relating to mutual societies functions) so provides, the FCA's general functions do not include functions that are transferred functions within the meaning of section 52 of that Act.

F12(7A) . . . . . .

(8) "General guidance" has the meaning given in section 139B(5).

Textual Amendments

F10 S. 1B(4A) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 25(2)**, 86(3); S.I. 2023/779, reg. 4(p)

F11 S. 1B(6)(aa) inserted (26.10.2018) by The Financial Regulators Powers (Technical Standards etc.) (Amendment etc.) (EU Exit) Regulations 2018 (S.I. 2018/1115), regs. 1(2), **7(3)**

F12 S. 1B(7A) omitted (1.1.2019) by virtue of Financial Guidance and Claims Act 2018 (c. 10), s. 37(5), **Sch. 3 para. 7**; S.I. 2018/1330, reg. 2(g)(i)

Modifications etc. (not altering text)

C33 S. 1B applied (with modifications) (5.4.2024) by The Data Reporting Services Regulations 2024 (S.I. 2024/107), regs. 1(2), **15**; S.I. 2023/1382, reg. 4(c)

C34 S. 1B(4) restricted (26.7.2013) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No.2) Order 2013 (S.I. 2013/1881), arts. 1(4), **61(2)**

C35 S. 1B(4) restricted (E.W.S.) (29.11.2018 for specified purposes, 1.4.2019 in so far as not already in force) by The Financial Services and Markets Act 2000 (Claims Management Activity) Order 2018 (S.I. 2018/1253), arts. 1(2)(3), **84(2)**

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1C The consumer protection objective

(1) The consumer protection objective is: securing an appropriate degree of protection for consumers.

(2) In considering what degree of protection for consumers may be appropriate, the FCA must have regard to—

(a) the differing degrees of risk involved in different kinds of investment or other transaction;

(b) the differing degrees of experience and expertise that different consumers may have;

(c) the needs that consumers may have for the timely provision of information and advice that is accurate and fit for purpose;

(d) the general principle that consumers should take responsibility for their decisions;

(e) the general principle that those providing regulated financial services should be expected to provide consumers with a level of care that is appropriate having regard to the degree of risk involved in relation to the investment or other transaction and the capabilities of the consumers in question;

(f) the differing expectations that consumers may have in relation to different kinds of investment or other transaction;

F13(g) . . . . . .

(h) any information which the scheme operator of the ombudsman scheme has provided to the FCA pursuant to section 232A.

Textual Amendments

F13 S. 1C(2)(g) omitted (6.4.2021) by virtue of Financial Guidance and Claims Act 2018 (c. 10), s. 37(5), **Sch. 3 para. 8**; S.I. 2021/433, reg. 2(b)(i)

1D The integrity objective

(1) The integrity objective is: protecting and enhancing the integrity of the UK financial system.

(2) The "integrity" of the UK financial system includes—

(a) its soundness, stability and resilience,

(b) its not being used for a purpose connected with financial crime,

(c) its not being affected by **[**F14contraventions by persons of Article 14 (prohibition of insider dealing and of unlawful disclosure of inside information) or Article 15 (prohibition of market manipulation) of the market abuse regulation**]**,

(d) the orderly operation of the financial markets, and

(e) the transparency of the price formation process in those markets.

Textual Amendments

F14 Words in s. 1D(2)(c) substituted (3.7.2016) by The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **10(2)**

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1E The competition objective

(1) The competition objective is: promoting effective competition in the interests of consumers in the markets for—

(a) regulated financial services, or

(b) services provided by a recognised investment exchange in carrying on regulated activities in respect of which it is by virtue of section 285(2) exempt from the general prohibition.

(2) The matters to which the FCA may have regard in considering the effectiveness of competition in the market for any services mentioned in subsection (1) include—

(a) the needs of different consumers who use or may use those services, including their need for information that enables them to make informed choices,

(b) the ease with which consumers who may wish to use those services, including consumers in areas affected by social or economic deprivation, can access them,

(c) the ease with which consumers who obtain those services can change the person from whom they obtain them,

(d) the ease with which new entrants can enter the market, and

(e) how far competition is encouraging innovation.

[F15 1EB Competitiveness and growth objective

The competitiveness and growth objective is: facilitating, subject to aligning with relevant international standards—

(a) the international competitiveness of the economy of the United Kingdom (including in particular the financial services sector), and

(b) its growth in the medium to long term.**]**

Textual Amendments

F15 S. 1EB inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 25(3)**, 86(3); S.I. 2023/779, reg. 4(p)

Interpretation of terms used in relation to FCA's general duties

1F Meaning of "relevant markets" in strategic objective

In section 1B(2) "the relevant markets" means—

(a) the financial markets,

(b) the markets for regulated financial services (see section 1H(2)), and

(c) the markets for services that are provided by persons other than authorised persons in carrying on regulated activities but are provided without contravening the general prohibition.

Modifications etc. (not altering text)

C36 S. 1F applied (with modifications) (5.4.2024) by The Data Reporting Services Regulations 2024 (S.I. 2024/107), regs. 1(2), **15**; S.I. 2023/1382, reg. 4(c)

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1G Meaning of "consumer"

(1) In sections 1B to 1E "consumers" means persons **[**F16who**]**—

(a) **[**F17who**]** use, have used or may use—

(i) regulated financial services, or

(ii) services that are provided by persons other than authorised persons but are provided in carrying on regulated activities, **[**F17who**]**

(b) **[**F17who**]** have relevant rights or interests in relation to any of those services,

(c) **[**F17who**]** have invested, or may invest, in financial instruments, F18...

(d) **[**F17who**]** have relevant rights or interests in relation to financial instruments **[**F19, **[**F20or**]**

(e) **[**F17who**]** have rights, interests or obligations that are affected by the level of a regulated benchmark**][**F21; or

(f) in respect of whom a person carries on an activity which is specified in article 89G of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (seeking out etc claims) whether that activity, as carried on by that person, is a regulated activity, or is, by reason of an exclusion provided for under the 2001 Order or the 2000 Act, not a regulated activity.**]**

(2) A person ("P") has a "relevant right or interest" in relation to any services within subsection (1)(a) if P has a right or interest—

(a) which is derived from, or is otherwise attributable to, the use of the services by others, or

(b) which may be adversely affected by the use of the services by persons acting on P's behalf or in a fiduciary capacity in relation to P.

(3) If a person is providing a service within subsection (1)(a) as trustee, the persons who are, have been or may be beneficiaries of the trust are to be treated as persons who use, have used or may use the service.

(4) A person who deals with another person ("B") in the course of B providing a service within subsection (1)(a) is to be treated as using the service.

(5) A person ("P") has a "relevant right or interest" in relation to any financial instrument if P has—

(a) a right or interest which is derived from, or is otherwise attributable to, investment in the instrument by others, or

(b) a right or interest which may be adversely affected by the investment in the instrument by persons acting on P's behalf or in a fiduciary capacity in relation to P.

Textual Amendments

F16 Word in s. 1G(1) omitted (E.W.S.) (29.11.2018 for specified purposes, 1.4.2019 in so far as not already in force) by virtue of The Financial Services and Markets Act 2000 (Claims Management Activity) Order 2018 (S.I. 2018/1253), arts. 1(2)(3), **91(2)(a)**

F17 Word in s. 1G(1)(a)-(e) inserted (E.W.S.) (29.11.2018 for specified purposes, 1.4.2019 in so far as not already in force) by The Financial Services and Markets Act 2000 (Claims Management Activity) Order 2018 (S.I. 2018/1253), arts. 1(2)(3), **91(2)(b)**

F18 Word in s. 1G(1)(c) omitted (2.4.2013) by virtue of The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2013 (S.I. 2013/655), arts. 1, **3(2)(a)**

Status: *This version of this Act contains provisions that are prospective.*
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F19 S. 1G(1)(e) and word inserted (2.4.2013) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2013 (S.I. 2013/655), arts. 1, **3(2)(b)**

F20 Word in s. 1G(1)(d) omitted (E.W.S.) (29.11.2018 for specified purposes, 1.4.2019 in so far as not already in force) by virtue of The Financial Services and Markets Act 2000 (Claims Management Activity) Order 2018 (S.I. 2018/1253), arts. 1(2)(3), **91(2)(c)**

F21 S. 1G(1)(f) and word inserted (E.W.S.) (29.11.2018 for specified purposes, 1.4.2019 in so far as not already in force) by The Financial Services and Markets Act 2000 (Claims Management Activity) Order 2018 (S.I. 2018/1253), arts. 1(2)(3), **91(2)(d)**

Modifications etc. (not altering text)

C37 S. 1G modified (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No.2) Order 2013 (S.I. 2013/1881), arts. 1(2)(6), **65(3)(a)**

C38 S. 1G modified by S.I. 2001/544, art. 60LA(1)(3) (as inserted (14.2.2014 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2014 (S.I. 2014/366), arts. 1(3)(4), **2(33)**)

C39 S. 1G modified by S.I. 2001/544, art. 60S(1)(3) (as inserted (14.2.2014 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2014 (S.I. 2014/366), arts. 1(3)(4), **2(37)**)

C40 S. 1G modified (E.W.S.) (29.11.2018 for specified purposes, 1.4.2019 in so far as not already in force) by The Financial Services and Markets Act 2000 (Claims Management Activity) Order 2018 (S.I. 2018/1253), arts. 1(2)(3), **89**

1H Further interpretative provisions for sections 1B to 1G

(1) The following provisions have effect for the interpretation of sections 1B to 1G.

(2) "Regulated financial services" means services provided—

(a) by authorised persons in carrying on regulated activities;

F22(b) . . . . . .

(c) by authorised persons in communicating, or approving the communication by others of, invitations **[**F23or inducements**]** to engage in investment activity **[**F24or to engage in claims management activity**]**;

(d) by authorised persons who are investment firms, or **[**F25qualifying credit institutions**]**, in providing relevant ancillary services;

(e) by persons acting as appointed representatives;

(f) by payment service providers in providing payment services;

(g) by electronic money issuers in issuing electronic money;

(h) by sponsors to issuers of securities;

(i) by primary information providers to persons who issue financial instruments.

(3) "Financial crime" includes any offence involving—

(a) fraud or dishonesty,

(b) misconduct in, or misuse of information relating to, a financial market,

(c) handling the proceeds of crime, or

(d) the financing of terrorism.

(4) "Offence" includes an act or omission which would be an offence if it had taken place in the United Kingdom.

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(5) "Issuer", except in the expression "electronic money issuer", has the meaning given in section 102A(6).

(6) "Financial instrument" has the meaning given in section 102A(4).

(7) "Securities" has the meaning given in section 102A(2).

["Regulated benchmark" means a benchmark, as defined in section 22[F27]... **[**[F28](6A)**]**, [F26](7A) in relation to which any provision made under section 22(1A)[F29]...**[**[F30](c)**]** has effect.**]**

(8) In this section—

[F31]...

[F31]...

[F32]...

"electronic money" has the same meaning as in the Electronic Money Regulations 2011;

"electronic money issuer" means a person who is an electronic money issuer as defined in regulation 2(1) of the Electronic Money Regulations 2011 other than a person falling within paragraph (f), (g) or (j) of the definition;

[[F33]"engage in claims management activity" has the meaning given in section 21;**]**

"engage in investment activity" has the meaning given in section 21;

"financial instrument" has the meaning given in section 102A(4);

"payment services" has the same meaning as in the Payment Services Regulations **[**[F34]2017**]**;

"payment service provider" means a person who is a payment service provider as defined in regulation 2(1) of the Payment Services Regulations **[**[F35]2017**]** other than a person falling within paragraph **[**[F36](i) or (j)**]** of the definition;

"primary information provider" has the meaning given in section 89P(2);

"relevant ancillary service" means any service of a kind mentioned in **[**[F37]Part 3A of Schedule 2 to the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001**]** the provision of which does not involve the carrying on of a regulated activity;

"sponsor" has the meaning given in section 88(2).

Textual Amendments

F22 S. 1H(2)(b) omitted (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by virtue of The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No.2) Order 2013 (S.I. 2013/1881), arts. 1(2)(6), **10(2)(a)** (with art. 11(2))

F23 Words in s. 1H(2)(c) inserted (6.9.2023 for specified purposes, 6.11.2023 for specified purposes, 7.2.2024 in so far as not already in force) by Financial Services and Markets Act 2023 (c. 29), s. 86(3), **Sch. 5 para. 2** (with s. 20(5)); S.I. 2023/936, reg. 2(1)(a)(b)(2)(b)(ii)(3)(4)

F24 Words in s. 1H(2)(c) inserted (E.W.S.) (6.10.2018) by Financial Guidance and Claims Act 2018 (c. 10), **ss. 27(2)(a)**, 37(5); S.I. 2018/1045, reg. 2(a)

F25 Words in s. 1H(2)(d) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **4(2)**; 2020 c. 1, Sch. 5 para. 1(1)

F26 S. 1H(7A) inserted (2.4.2013) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2013 (S.I. 2013/655), arts. 1, **3(3)**

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F27 Words in s. 1H(7A) omitted (1.5.2020) by virtue of The Financial Services and Markets Act 2000 (Benchmarks) Regulations 2018 (S.I. 2018/135), regs. 1(2)(b), **37(c)**

F28 Words in s. 1H(7A) inserted (27.2.2018) by The Financial Services and Markets Act 2000 (Benchmarks) Regulations 2018 (S.I. 2018/135), regs. 1(2), **37(a)**

F29 Words in s. 1H(7A) omitted (1.5.2020) by virtue of The Financial Services and Markets Act 2000 (Benchmarks) Regulations 2018 (S.I. 2018/135), regs. 1(2)(b), **37(d)**

F30 Words in s. 1H(7A) inserted (27.2.2018) by The Financial Services and Markets Act 2000 (Benchmarks) Regulations 2018 (S.I. 2018/135), regs. 1(2), **37(b)**

F31 Words in s. 1H(8) omitted (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by virtue of The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No.2) Order 2013 (S.I. 2013/1881), arts. 1(2)(6), **10(2)(b)** (with art. 11(2))

F32 Words in s. 1H(8) omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **4(3)(a)**; 2020 c. 1, Sch. 5 para. 1(1)

F33 Words in s. 1H(8) inserted (E.W.S.) (6.10.2018) by Financial Guidance and Claims Act 2018 (c. 10), **ss. 27(2)(b)**, 37(5); S.I. 2018/1045, reg. 2(a)

F34 Word in s. 1H(8) substituted (13.1.2018) by The Payment Services Regulations 2017 (S.I. 2017/752), reg. 1(6), **Sch. 8 para. 2(2)(a)** (with reg. 3)

F35 Word in s. 1H(8) substituted (13.1.2018) by The Payment Services Regulations 2017 (S.I. 2017/752), reg. 1(6), **Sch. 8 para. 2(2)(b)(i)** (with reg. 3)

F36 Words in s. 1H(8) substituted (13.1.2018) by The Payment Services Regulations 2017 (S.I. 2017/752), reg. 1(6), **Sch. 8 para. 2(2)(b)(ii)** (with reg. 3)

F37 Words in s. 1H(8) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **4(3)(b)**; 2020 c. 1, Sch. 5 para. 1(1)

Modifications etc. (not altering text)

C41 S. 1H applied (with modifications) (5.4.2024) by The Data Reporting Services Regulations 2024 (S.I. 2024/107), regs. 1(2), **15**; S.I. 2023/1382, reg. 4(c)

1I Meaning of "the UK financial system"

In this Act "the UK financial system" means the financial system operating in the United Kingdom and includes—

(a) financial markets and exchanges,

(b) regulated activities **[**[F38](including regulated claims management activities)**]**, and

(c) other activities connected with financial markets and exchanges.

Textual Amendments

F38 Words in s. 1I(b) inserted (E.W.S.) (29.11.2018 for specified purposes, 1.4.2019 in so far as not already in force) by The Financial Services and Markets Act 2000 (Claims Management Activity) Order 2018 (S.I. 2018/1253), arts. 1(2)(3), **91(3)**

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[F39 Modifications applying if core activity not regulated by PRA

Textual Amendments

F39 S. 1IA and cross-heading inserted (1.1.2019) by Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 2**, 148(5); S.I. 2018/1306, art. 2(b)

1IA Modifications applying if core activity not regulated by PRA

(1) If and so long as any regulated activity is a core activity (see section 142B) without also being a PRA-regulated activity (see section 22A), the provisions of this Chapter are to have effect subject to the following modifications.

(2) Section 1B is to have effect as if—

(a) in subsection (3), after paragraph (c) there were inserted—

"(d) in relation to the matters mentioned in section 1EA(2), the continuity objective (see section 1EA).", and

(b) in subsection (4), for "or the integrity objective," there were substituted ", the integrity objective or (in relation to the matters mentioned in section 1EA(2)) the continuity objective,".

(3) After section 1E there is to be taken to be inserted—

"**Continuity objective**

(1) In relation to the matters mentioned in subsection (2), the continuity objective is: protecting the continuity of the provision in the United Kingdom of core services (see section 142C).

(2) Those matters are—

(a) Part 9B (ring-fencing);

(b) ring-fenced bodies (see section 142A);

(c) any body corporate incorporated in the United Kingdom that has a ring-fenced body as a member of its group;

(d) applications under Part 4A which, if granted, would result, or would be capable of resulting, in a person becoming a ring-fenced body.

(3) The FCA's continuity objective is to be advanced primarily by—

(a) seeking to ensure that the business of ring-fenced bodies is carried on in a way that avoids any adverse effect on the continuity of the provision in the United Kingdom of core services,

(b) seeking to ensure that the business of ring-fenced bodies is protected from risks (arising in the United Kingdom or elsewhere) that could adversely affect the continuity of the provision in the United Kingdom of core services, and

(c) seeking to minimise the risk that the failure of a ring-fenced body or of a member of a ring-fenced body's group could adversely affect the continuity of the provision in the United Kingdom of core services.

(4) In subsection (3)(c), "failure" is to be read in accordance with section 2J(3) to (4)."]

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Power to amend objectives

1J Power to amend objectives

The Treasury may by order amend any of the following provisions—

(a) in section 1E(1), paragraphs (a) and (b),

(b) section 1G, and

(c) section 1H(2) and (5) to (8).

[F40 Recommendations

Textual Amendments

F40 S. 1JA and cross-heading inserted (6.7.2016) by Bank of England and Financial Services Act 2016 (c. 14), **ss. 19**, 41(3); S.I. 2016/627, reg. 2(1)(n)

1JA Recommendations by Treasury in connection with general duties

(1) The Treasury may at any time by notice in writing to the FCA make recommendations to the FCA about aspects of the economic policy of Her Majesty's Government to which the FCA should have regard when considering—

(a) how to act in a way which is compatible with its strategic objective,

(b) how to advance one or more of its operational objectives,

(c) how to discharge the duty in section 1B(4) (duty to promote effective competition in the interests of consumers),

[F41(ca) how to discharge the duty in section 1B(4A) (duty to advance competitiveness and growth objective),**]**

(d) the application of the regulatory principles in section 3B, and

(e) the matter mentioned in section 1B(5)(b) (importance of taking action to minimise the extent to which it is possible for a business to be used for a purpose connected with financial crime).

(2) The Treasury must make recommendations under subsection (1) at least once in each Parliament.

[F42(2A) The FCA must respond to each recommendation made to it under subsection (1) by notifying the Treasury in writing of—

(a) action that the FCA has taken or intends to take in accordance with the recommendation, or

(b) the reasons why the FCA has not acted or does not intend to act in accordance with the recommendation.

(2B) The notice under subsection (2A) must be given before the end of 12 months beginning with the date the notice containing the recommendation was given under subsection (1).

(2C) Where the FCA has given notice under subsection (2A) in relation to a recommendation, the FCA must by notice in writing update the Treasury on the matters mentioned in subsection (2A)(a) and (b) before the end of each subsequent period of 12 months.

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(2D) Subsection (2C) does not apply if the Treasury have notified the FCA in writing that no update (or further update) is required.

(2E) The FCA is not required under subsection (2A) or (2C) to provide any information whose publication would in the opinion of the FCA be against the public interest.**]**

(3) The Treasury must—

(a) publish in such manner as they think fit any notice given under **[**F43subsection (1), (2A) or (2C)**]**, and

(b) lay a copy of it before Parliament.**]**

Textual Amendments

F41 S. 1JA(1)(ca) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 28(2)**, 86(3); S.I. 2023/779, reg. 4(s)

F42 S. 1JA(2A)-(2E) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 35(2)**, 86(3); S.I. 2023/779, reg. 4(y)

F43 Words in s. 1JA(3) substituted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 35(3)**, 86(3); S.I. 2023/779, reg. 4(y)

Modifications etc. (not altering text)

C42 S. 1JA applied (with modifications) (18.9.2023) by S.I. 2011/99, **reg. 47(4)** (as inserted by The Electronic Money, Payment Card Interchange Fee and Payment Services (Amendment) Regulations 2023 (S.I. 2023/790), regs. 1(2)(a), **2(2)(b)**)

C43 S. 1JA applied (with modifications) (18.9.2023) by S.I. 2017/752, **reg. 106(5)** (as inserted by The Electronic Money, Payment Card Interchange Fee and Payment Services (Amendment) Regulations 2023 (S.I. 2023/790), regs. 1(2)(a), **4(2)(b)**)

Guidance about objectives

1K Guidance about objectives

(1) The general guidance given by the FCA under section 139A must include guidance about how it intends to advance its operational objectives in discharging its general functions in relation to different categories of authorised person or regulated activity.

[F44(1A) The reference in subsection (1) to the FCA's operational objectives includes, in its application as a secondary objective, the competitiveness and growth objective (see section 1EB).**]**

(2) Before giving or altering any guidance complying with subsection (1), the FCA must consult the PRA.

Textual Amendments

F44 S. 1K(1A) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 28(3)**, 86(3); S.I. 2023/779, reg. 4(s)

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Supervision, monitoring and enforcement

1L Supervision, monitoring and enforcement

(1) The FCA must maintain arrangements for supervising authorised persons.

(2) The FCA must maintain arrangements designed to enable it to determine whether persons other than authorised persons are complying—

(a) with requirements imposed on them by or under this Act, in cases where the FCA is the appropriate regulator for the purposes of Part 14 (disciplinary measures), [F45]...

[[F46](aa) with requirements imposed on them by the Alternative Investment Fund Managers Regulations 2013, or**]**

(b) with requirements imposed on them by any **[**[F47]qualifying provision**]** that is specified, or of a description specified, for the purposes of this subsection by the Treasury by order.

(3) The FCA must also maintain arrangements for enforcing compliance by persons other than authorised persons with relevant requirements, within the meaning of Part 14, in cases where the FCA is the appropriate regulator for the purposes of any provision of that Part.

Textual Amendments

F45 Word in s. 1L(2) omitted (22.7.2013) by virtue of The Alternative Investment Fund Managers Regulations 2013 (S.I. 2013/1773), reg. 1, **Sch. 1 para. 3**

F46 S. 1L(2)(aa) inserted (22.7.2013) by The Alternative Investment Fund Managers Regulations 2013 (S.I. 2013/1773), reg. 1, **Sch. 1 para. 3**

F47 Words in s. 1L(2)(b) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **5**; 2020 c. 1, Sch. 5 para. 1(1)

Modifications etc. (not altering text)

C44 S. 1L modified by S.I. 2002/1775, reg. 12(2) (as amended) (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 77(7)(a)(i)**

C45 S. 1L applied (with modifications) (5.4.2024) by The Data Reporting Services Regulations 2024 (S.I. 2024/107), regs. 1(2), **16**; S.I. 2023/1382, reg. 4(c)

C46 S. 1L(1) applied (with modifications) (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services Act 2012 (Consumer Credit) Order 2013 (S.I. 2013/1882), arts. 1(1), **3(2)(a)**

C47 S. 1L(2) applied (with modifications) (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services Act 2012 (Consumer Credit) Order 2013 (S.I. 2013/1882), arts. 1(1), **3(2)(b)**

C48 S. 1L(2)(3) excluded by S.I. 2018/1149, reg. 64 (as inserted (1.3.2019) by The Financial Services Contracts (Transitional and Saving Provision) (EU Exit) Regulations 2019 (S.I. 2019/405), regs. 1(2), **3**)

C49 S. 1L(2)(3) excluded (31.12.2020) by The Electronic Commerce and Solvency 2 (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/1361), regs. 1(2), **24** (as amended by S.I. 2019/1390, regs. 1(2), 6); 2020 c. 1, Sch. 5 para. 1(1)

C50 S. 1L(2)(3) applied (with modifications) (14.1.2025 for specified purposes) by The Short Selling Regulations 2025 (S.I. 2025/29), regs. 2(2)(3), 24, 25, Sch. 1 Pts. 1, **2**

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C51 S. 1L(2)(aa) modified (30.1.2024 for specified purposes, 1.11.2024 in so far as not already in force) by The Securitisation Regulations 2024 (S.I. 2024/102), regs. 2(1)(e)(2), **34(7)**(8)(a) (with Sch. 3); as amended by S.I. 2024/705, regs. 1(2), 2(2)

Arrangements for consulting practitioners and consumers

1M The FCA's general duty to consult

The FCA must make and maintain effective arrangements for consulting practitioners and consumers on the extent to which its general policies and practices are consistent with its general duties under section 1B [F48]....

Textual Amendments

F48 Words in s. 1M omitted (1.1.2019) by virtue of Financial Guidance and Claims Act 2018 (c. 10), s. 37(5), **Sch. 3 para. 9**; S.I. 2018/1330, reg. 2(g)(ii)

[F49 1MA Composition of Panels

(1) A person who receives remuneration from the FCA, the PRA, the Payment Systems Regulator, the Bank of England or the Treasury is disqualified from being appointed as a member of a panel established under any of sections 1N to 1QA or 138IA.

(2) Subsection (1) does not apply in respect of a panel mentioned in that subsection if regulations made by the Treasury provide for it not to apply to that panel.

(3) Regulations under subsection (2) may make provision in respect of a panel—

(a) generally, or

(b) only in relation to such descriptions of persons or cases as the regulations may specify (but the power to make such regulations may not be exercised so as to specify persons by name).]

Textual Amendments

F49 S. 1MA inserted (29.8.2023 for specified purposes, 26.12.2023 in so far as not already in force) by Financial Services and Markets Act 2023 (c. 29), **ss. 46(2)**, 86(3); S.I. 2023/779, reg. 4(jj)(ii); S.I. 2023/1382, reg. 7(c) (with reg. 17)

Modifications etc. (not altering text)

C52 S. 1MA(1) excluded (26.12.2023) by The Financial Services and Markets Act 2023 (Panel Remuneration and Reports) Regulations 2023 (S.I. 2023/1273), regs. 1(2), **2(1)**

1N The FCA Practitioner Panel

(1) Arrangements under section 1M must include the establishment and maintenance of a panel of persons (to be known as "the FCA Practitioner Panel") to represent the interests of practitioners.

(2) The FCA must appoint one of the members of the FCA Practitioner Panel to be its chair.

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(3) The Treasury's approval is required for the appointment or dismissal of the chair.

(4) The FCA must appoint to the FCA Practitioner Panel such—

(a) persons representing authorised persons, and

(b) persons representing recognised investment exchanges,

as it considers appropriate.

(5) The FCA may appoint to the FCA Practitioner Panel such other persons as it considers appropriate.

[Subsections (4) and (5) are subject to section 1MA.**]**

F50(6)

Textual Amendments

F50 S. 1N(6) inserted (26.12.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 46(3)**, 86(3); S.I. 2023/1382, reg. 7(c) (with reg. 17)

1O The Smaller Business Practitioner Panel

(1) Arrangements under section 1M must include the establishment and maintenance of a panel of persons (to be known as "the Smaller Business Practitioner Panel") to represent the interests of eligible practitioners.

(2) "Eligible practitioners" means authorised persons of a description specified in a statement maintained by the FCA.

(3) The FCA must appoint one of the members of the Smaller Business Practitioner Panel to be its chair.

(4) The Treasury's approval is required for the appointment or dismissal of the chair.

(5) The FCA must appoint to the Smaller Business Practitioner Panel such—

(a) individuals who are eligible practitioners, and

(b) persons representing eligible practitioners,

as it considers appropriate.

(6) The FCA may appoint to the Smaller Business Practitioner Panel such other persons as it considers appropriate.

[Subsections (5) and (6) are subject to section 1MA.**]**

F51(6A)

(7) In making the appointments, the FCA must have regard to the desirability of ensuring the representation of eligible practitioners carrying on a range of regulated activities.

(8) The FCA may revise the statement maintained under subsection (2).

(9) The FCA must—

(a) give the Treasury a copy of the statement or revised statement without delay, and

(b) publish the statement as for the time being in force in such manner as it thinks fit.

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Textual Amendments

F51 S. 1O(6A) inserted (26.12.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 46(4)**, 86(3); S.I. 2023/1382, reg. 7(c) (with reg. 17)

1P The Markets Practitioner Panel

(1) Arrangements under section 1M must include the establishment and maintenance of a panel of persons (to be known as "the Markets Practitioner Panel") to represent the interests of practitioners who are likely to be affected by the exercise by the FCA of its functions relating to markets, including its functions under Parts 6, 8A and 18.

(2) The FCA must appoint one of the members of the Markets Practitioner Panel to be its chair.

(3) The Treasury's approval is required for the appointment or dismissal of the chair.

(4) The FCA must appoint to the Markets Practitioner Panel such persons to represent the interests of persons within subsection (5) as it considers appropriate.

(5) The persons within this subsection are—

(a) authorised persons,

(b) persons who issue financial instruments,

(c) sponsors, as defined in section 88(2),

(d) recognised investment exchanges, and

(e) primary information providers, as defined in section 89P(2).

(6) The FCA may appoint to the Markets Practitioner Panel such other persons as it considers appropriate.

F52(7) **[** Subsections (4) to (6) are subject to section 1MA.**]**

Textual Amendments

F52 S. 1P(7) inserted (26.12.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 46(5)**, 86(3); S.I. 2023/1382, reg. 7(c) (with reg. 17)

1Q The Consumer Panel

(1) Arrangements under section 1M must include the establishment and maintenance of a panel of persons (to be known as "the Consumer Panel") to represent the interests of consumers.

(2) The FCA must appoint one of the members of the Consumer Panel to be its chair.

(3) The Treasury's approval is required for the appointment or dismissal of the chair.

(4) The FCA may appoint to the Consumer Panel such consumers, or persons representing the interests of consumers, as it considers appropriate.

F53(4A) **[** Subsection (4) is subject to section 1MA.**]**

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(5) The FCA must secure that membership of the Consumer Panel is such as to give a fair degree of representation to those who are using, or are or may be contemplating using, services otherwise than in connection with businesses carried on by them.

[F54(5A) If it appears to the Consumer Panel that any matter being considered by it is relevant to the extent to which the general policies and practices of the PRA are consistent with the PRA's general duties under sections 2B to 2H, it may communicate to the PRA any views relating to that matter.

(5B) The PRA may arrange to meet any of the FCA's expenditure on the Consumer Panel which is attributable to the Panel's functions under subsection (5A).**]**

(6) Sections 425A and 425B (meaning of "consumers") apply for the purposes of this section, but the references to consumers in this section do not include consumers who are authorised persons.

Textual Amendments

F53 S. 1Q(4A) inserted (26.12.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 46(6)**, 86(3); S.I. 2023/1382, reg. 7(c) (with reg. 17)

F54 S. 1Q(5A)(5B) inserted (1.3.2014) by Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 132**, 148(5); S.I. 2014/377, art. 2(1)(a), Sch. Pt. 1

Modifications etc. (not altering text)

C53 S. 1Q modified (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No.2) Order 2013 (S.I. 2013/1881), arts. 1(2)(6), **65(3)(b)**

[F55**1QA** The Listing Authority Advisory Panel

(1) Arrangements under section 1M must include the establishment and maintenance of a panel of persons (to be known as "the Listing Authority Advisory Panel") to represent the interests of practitioners who are likely to be affected by the exercise by the FCA of its relevant functions.

(2) The reference in subsection (1) to the FCA's relevant functions is to its functions relating to the listing, issue or trading of products on recognised investment exchanges and other markets the operation of which is regulated by the FCA, including in particular—

(a) the issuing of transferable securities, and

(b) the trading of transferable securities on regulated markets and multilateral trading facilities.

(3) The FCA must appoint one of the members of the Listing Authority Advisory Panel to be the chair of the Panel.

(4) The Treasury's approval is required for the appointment or dismissal of the chair.

(5) The FCA must appoint to the Listing Authority Advisory Panel such persons to represent the interests of issuers and investors as it considers appropriate.

(6) The FCA may appoint to the Listing Authority Advisory Panel such other persons as it considers appropriate.

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(7) Subsections (5) and (6) are subject to section 1MA.

(8) In this section—

"multilateral trading facility", "recognised investment exchange" and "regulated markets" have the same meaning as in Part 18 (see section 313(1));

"transferable securities" has the meaning given by section 102A(3).**]**

Textual Amendments

F55 S. 1QA inserted (29.8.2023 for specified purposes, 26.12.2023 in so far as not already in force) by Financial Services and Markets Act 2023 (c. 29), **ss. 41**, 86(3); S.I. 2023/779, reg. 4(ee); S.I. 2023/1382, reg. 7(a) (with reg. 17)

1R Duty to consider representations made by the Panels

(1) The FCA must consider representations that are made to it in accordance with arrangements made under section 1M.

(2) The FCA must from time to time publish in such manner as it thinks fit responses to the representations.

[F56 1RA Statement of policy on panel appointments

(1) The FCA must prepare and publish a statement of policy in relation to the appointment of members of its statutory panels.

(2) The statement must provide information about—

(a) the process adopted for making appointments;

(b) matters considered in determining who is appointed.

(3) The statement may provide whatever other information in relation to the making of appointments that the FCA considers appropriate.

(4) The FCA may alter or replace a statement published under this section.

(5) The FCA must publish a statement as altered or replaced under subsection (4).

(6) Before publishing a statement under this section the FCA must—

(a) consult the Treasury about the proposed statement, and

(b) have regard to any representations the Treasury make in response to the consultation.

(7) Publication under this section is to be made in such manner as the FCA considers best designed to bring the statement to the attention of the public.

(8) In this section "statutory panel" means a panel established under section 1N, 1O, 1P, 1Q, 1QA or 138IA.**]**

Textual Amendments

F56 S. 1RA inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 45(2)**, 86(3); S.I. 2023/779, reg. 4(ii)

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[F57 Requirements for public consultation

Textual Amendments

F57 S. 1RB and cross-heading inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 36(1)**, 86(3); S.I. 2023/779, reg. 4(z)

1RB Requirements in connection with public consultations

(1) This section applies where the FCA issues a public consultation.

(2) The FCA must include information in the consultation about any engagement by the FCA with the statutory panels of the FCA, the PRA or the Payment Systems Regulator in relation to the matters being consulted on.

(3) The FCA is not required under subsection (2) to include any information whose publication would in the opinion of the FCA be against the public interest.

(4) For the purposes of this section, the FCA issues a public consultation if it publishes the draft of any proposals for the purpose of bringing them to the attention of the public (whether or not under a duty to do so imposed by an enactment).

(5) In this section "statutory panel"—

(a) in relation to the FCA, has the meaning given by section 1RA(8),

(b) in relation to the PRA, has the meaning given by section 2NA(8), and

(c) in relation to the Payment Systems Regulator, means a panel established under section 103(3) of the Financial Services (Banking Reform) Act 2013.**]**

Reviews

1S Reviews

(1) The Treasury may appoint an independent person to conduct a review of the economy, efficiency and effectiveness with which the FCA has used its resources in discharging its functions.

(2) A review may be limited by the Treasury to such functions of the FCA (however described) as the Treasury may specify in appointing the person to conduct it.

(3) A review is not to be concerned with the merits of the FCA's general policy or principles in complying with its general duties under section 1B(1) and (4) [F58]....

(4) On completion of a review, the person conducting it must make a written report to the Treasury—

(a) setting out the result of the review, and

(b) making such recommendations (if any) as the person considers appropriate.

(5) A copy of the report must be—

(a) laid before Parliament, and

(b) published in such manner as the Treasury consider appropriate.

(6) Any expenses reasonably incurred in the conduct of the review are to be met by the Treasury out of money provided by Parliament.

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(7) "Independent" means appearing to the Treasury to be independent of the FCA.

Textual Amendments

F58 Words in s. 1S(3) omitted (1.1.2019) by virtue of Financial Guidance and Claims Act 2018 (c. 10), s. 37(5), **Sch. 3 para. 10**; S.I. 2018/1330, reg. 2(g)(ii)

Modifications etc. (not altering text)

C54 S. 1S applied (with modifications) (6.4.2018 immediately after 2016 c. 16 (N.I.), s. 8(2) comes into force) by The Financial Services Act 2012 (Mutual Societies) Order 2018 (S.I. 2018/323), art. 1, **Sch. 1 para. 2(2)(b)** (with art. 3)

1T Right to obtain documents and information

(1) A person conducting a review under section 1S—

(a) has a right of access at any reasonable time to all such documents as the person may reasonably require for the purposes of the review, and

(b) may require any person holding or accountable for any such document to provide such information and explanation as are reasonably necessary for that purpose.

(2) Subsection (1) applies only to documents in the custody of or under the control of the FCA.

(3) An obligation imposed on a person as a result of the exercise of the powers conferred by subsection (1) is enforceable by injunction or, in Scotland, by an order for specific performance under section 45 of the Court of Session Act 1988.

CHAPTER 2

THE PRUDENTIAL REGULATION AUTHORITY

The Prudential Regulation Authority

[F59 2A The Prudential Regulation Authority

(1) The "Prudential Regulation Authority" is the Bank of England.

(2) The Bank's functions as the Prudential Regulation Authority—

(a) are to be exercised by the Bank acting through its Prudential Regulation Committee (see Part 3A of the Bank of England Act 1998), and

(b) are not exercisable by the Bank in any other way.

(3) References in this Act or any other enactment to the Prudential Regulation Authority do not include the Bank of England acting otherwise than in its capacity as the Prudential Regulation Authority.

(4) References in this Act to the Bank of England do not (unless otherwise provided) include the Bank acting in its capacity as the Prudential Regulation Authority.

(5) Subsections (3) and (4) do not apply to this section.

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(6) Subsection (4) does not apply for the interpretation of references to the court of directors of the Bank of England, or to a Deputy Governor or committee of the Bank.

(7) The Prudential Regulation Authority is referred to in this Act as the PRA.

Textual Amendments

F59 Ss. 2A, 2AB substituted for s. 2A (1.3.2017) by Bank of England and Financial Services Act 2016 (c. 14), **ss. 12**, 41(3) (with Sch. 3); S.I. 2017/43, reg. 2(c)

2AB Functions of the PRA

(1) The PRA is to have the functions conferred on it by or under this Act.

(2) Schedule 1ZB makes provision about functions of the PRA.

(3) References in this Act or any other enactment to functions conferred on the PRA by or under this Act include references to functions conferred on the PRA by or under—

(a) the Insolvency Act 1986,

(b) the Banking Act 2009,

(c) the Financial Services Act 2012, [F60]...

[[F61](ca) the Financial Services and Markets Act 2023,**]**

(d) a **[**[F62]qualifying provision**]** that is specified, or of a description specified, for the purposes of this subsection by the Treasury by order.**][**[F63]or

(e) regulations made by the Treasury under section 8 of the European Union (Withdrawal) Act 2018.**]**

Textual Amendments

F59 Ss. 2A, 2AB substituted for s. 2A (1.3.2017) by Bank of England and Financial Services Act 2016 (c. 14), **ss. 12**, 41(3) (with Sch. 3); S.I. 2017/43, reg. 2(c)

F60 Word in s. 2AB(3)(c) omitted (26.10.2018) by virtue of The Financial Regulators Powers (Technical Standards etc.) (Amendment etc.) (EU Exit) Regulations 2018 (S.I. 2018/1115), regs. 1(2), **7(4)(a)**

F61 S. 2AB(3)(ca) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 59(3)**, 86(3); S.I. 2023/779, reg. 4(oo)

F62 Words in s. 2AB(3)(d) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **6**; 2020 c. 1, Sch. 5 para. 1(1)

F63 S. 2AB(3)(e) and word inserted (26.10.2018) by The Financial Regulators Powers (Technical Standards etc.) (Amendment etc.) (EU Exit) Regulations 2018 (S.I. 2018/1115), regs. 1(2), **7(4)(b)**

The PRA's general duties

2B The PRA's general objective

(1) In discharging its general functions the PRA must, so far as is reasonably possible, act in a way which advances its general objective.

(2) The PRA's general objective is: promoting the safety and soundness of PRA-authorised persons.

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(3) That objective is to be advanced primarily by—

(a) seeking to ensure that the business of PRA-authorised persons is carried on in a way which avoids any adverse effect on the stability of the UK financial system, [F64]...

(b) seeking to minimise the adverse effect that the failure of a PRA-authorised person could be expected to have on the stability of the UK financial system **[**[F65], and

(c) discharging its general functions in relation to the matters mentioned in subsection (4A) in a way that seeks to—

(i) ensure that the business of ring-fenced bodies is carried on in a way that avoids any adverse effect on the continuity of the provision in the United Kingdom of core services,

(ii) ensure that the business of ring-fenced bodies is protected from risks (arising in the United Kingdom or elsewhere) that could adversely affect the continuity of the provision in the United Kingdom of core services, and

(iii) minimise the risk that the failure of a ring-fenced body or of a member of a ring-fenced body's group could affect the continuity of the provision in the United Kingdom of core services**]**.

(4) The adverse effects mentioned in **[**[F66]subsection (3)(a) and (b)**]** may, in particular, result from the disruption of the continuity of financial services.

[F67](4A) **[** The matters referred to in subsection (3)(c) are—

(a) Part 9B (ring-fencing);

(b) ring-fenced bodies (see section 142A);

(c) any body corporate incorporated in the United Kingdom that has a ring-fenced body as a member of its group;

(d) applications under Part 4A which, if granted, would result, or would be capable of resulting, in a person becoming a ring-fenced body.**]**

(5) In this Act "PRA-authorised person" means an authorised person who has permission—

(a) given under Part 4A, or

(b) resulting from any other provision of this Act,

to carry on regulated activities that consist of or include one or more PRA-regulated activities (see section 22A).

(6) Subsection (1) is subject to sections 2C and 2D.

Textual Amendments

F64 Word in s. 2B(3)(a) omitted (1.1.2019) by virtue of Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 1(2)(a)**, 148(5); S.I. 2018/1306, art. 2(a)

F65 S. 2B(3)(c) and word inserted (1.1.2019) by Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 1(2)(b)**, 148(5); S.I. 2018/1306, art. 2(a)

F66 Words in s. 2B(4) substituted (1.1.2019) by Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 1(3)**, 148(5); S.I. 2018/1306, art. 2(a)

F67 S. 2B(4A) inserted (1.1.2019) by Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 1(4)**, 148(5); S.I. 2018/1306, art. 2(a)

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2C Insurance objective

(1) In discharging its general functions so far as relating to a PRA-regulated activity relating to the effecting or carrying out of contracts of insurance or PRA-authorised persons carrying on that activity, the PRA must, so far as is reasonably possible, act in a way—

(a) which is compatible with its general objective and its insurance objective, and

(b) which the PRA considers most appropriate for the purpose of advancing those objectives.

(2) The PRA's insurance objective is: contributing to the securing of an appropriate degree of protection for those who are or may become policyholders.

(3) This section applies only if the effecting or carrying out of contracts of insurance as principal is to any extent a PRA-regulated activity.

2D Power to provide for additional objectives

(1) Subsection (2) applies to an order under section 22A which—

(a) is made at any time after the coming into force of the first order under that section, and

(b) contains a statement by the Treasury that, in their opinion, the effect (or one of the effects) of the proposed order is that an activity would become a PRA-regulated activity.

(2) An order to which this subsection applies may specify an additional objective ("the specified objective") in relation to specified activities that become PRA-regulated activities by virtue of the order ("the additional activities").

(3) In discharging its general functions so far as relating to the additional activities or PRA-authorised persons carrying on those activities, the PRA must, so far as is reasonably possible, act in a way—

(a) which is compatible with its general objective and the specified objective, and

(b) which the PRA considers most appropriate for the purpose of advancing those objectives.

2E Strategy

(1) The PRA must—

(a) determine its strategy in relation to its objectives, and

(b) from time to time review, and if necessary revise, the strategy.

(2) Before determining or revising its strategy, the PRA must consult the court of directors of the Bank of England about a draft of the strategy or of the revisions.

(3) The PRA must determine its strategy within 12 months of the coming into force of this section.

(4) The PRA must carry out and complete a review of its strategy before the end of each relevant period.

(5) The relevant period is 12 months beginning with the date on which the previous review was completed, except that in the case of the first review the relevant period is the

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period of 12 months beginning with the date on which the strategy was determined under subsection (3).

(6) The PRA must publish its strategy.

(7) If the strategy is revised the PRA must publish the revised strategy.

(8) Publication under subsection (6) or (7) is to be in such manner as the PRA thinks fit.

2F Interpretation of references to objectives

In this Act, a reference, in relation to any function of the PRA, to the objectives of the PRA is a reference to its general objective but—

(a) so far as the function is exercisable in relation to the activity of effecting or carrying out contracts of insurance, or PRA-authorised persons carrying on that activity, is a reference to its general objective and its insurance objective;

(b) so far as the function is exercisable in relation to an activity to which an objective specified by order by virtue of section 2D(2) relates, or PRA-authorised persons carrying on that activity, is a reference to its general objective and the objective specified by the order.

2G Limit on effect of sections 2B to 2D

Nothing in sections 2B to 2D is to be regarded as requiring the PRA to ensure that no PRA-authorised person fails.

[F68 2H Secondary [F69 objectives] and duty to have regard to regulatory principles

[F70 (1) When discharging its general functions in a way that advances its objectives (see section 2F), the PRA must, so far as reasonably possible, act in a way that advances the following secondary objectives—

(a) the competition objective, and

(b) the competitiveness and growth objective.

(1A) The competition objective is: facilitating effective competition in the markets for services provided by PRA-authorised persons in carrying on regulated activities.

(1B) The competitiveness and growth objective is: facilitating, subject to aligning with relevant international standards—

(a) the international competitiveness of the economy of the United Kingdom (including in particular the financial services sector through the contribution of PRA-authorised persons), and

(b) its growth in the medium to long term.**]**

(2) In discharging its general functions, the PRA must also have regard to the regulatory principles in section 3B.**]**

Textual Amendments

F68 S. 2H substituted (1.3.2014) by Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 130(1)**, 148(5); S.I. 2014/377, art. 2(1)(a), Sch. Pt. 1

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F69 Word in s. 2H heading substituted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 25(4)(a)**, 86(3) (with savings in The Financial Services and Markets Act 2023 (Commencement No. 2 and Transitional Provisions) Regulations 2023 (S.I. 2023/936), **reg. 4**); S.I. 2023/779, **reg. 4(p)**

F70 S. 2H(1)-(1B) substituted for s. 2H(1) (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 25(4)(b)**, 86(3) (with savings in The Financial Services and Markets Act 2023 (Commencement No. 2 and Transitional Provisions) Regulations 2023 (S.I. 2023/936), **reg. 4**); S.I. 2023/779, **reg. 4(p)**

Modifications etc. (not altering text)

C55 S. 2H(1) applied (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 1 para. 4(3)** (with reg. 7)

2I Guidance about objectives

(1) The PRA must give, and from time to time review, guidance about how it intends to advance its objectives in discharging its general functions in relation to different categories of PRA-authorised person or PRA-regulated activity.

[F71(1A) The reference in subsection (1) to the PRA's objectives includes, in their application as secondary objectives, the competition objective and competitiveness and growth objective (see section 2H).**]**

(2) Before giving or altering any guidance complying with subsection (1), the PRA must consult the FCA.

(3) The PRA must publish the guidance as for the time being in force.

Textual Amendments

F71 S. 2I(1A) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 28(4)**, 86(3) (with savings in The Financial Services and Markets Act 2023 (Commencement No. 2 and Transitional Provisions) Regulations 2023 (S.I. 2023/936), **reg. 4**); S.I. 2023/779, **reg. 4(s)**

2J Interpretation of Chapter 2

(1) For the purposes of this Chapter, the PRA's general functions are—

(a) its function of making rules under this Act (considered as a whole),

[F72(aa) its function of making technical standards in accordance with Chapter 2A of Part 9A;**]**

(b) its function of preparing and issuing codes under this Act (considered as a whole), and

(c) its function of determining the general policy and principles by reference to which it performs particular functions under this Act.

(2) Except to the extent that an order under section 50 of the Financial Services Act 2012 (orders relating to mutual societies functions) so provides, the PRA's general functions do not include functions that are transferred functions within the meaning of section 52 of that Act.

(3) For the purposes of this Chapter, the cases in which **[**F73an authorised**]** person ("P") is to be regarded as failing include those where—

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(a) P enters insolvency,

(b) any of the stabilisation options in Part 1 of the Banking Act 2009 is achieved in relation to P, or

(c) P falls to be taken for the purposes of the compensation scheme to be unable, or likely to be unable, to satisfy claims against P.

[F74(3A) For the purposes of this Chapter, the cases in which a person ("P") other than an authorised person is to be regarded as failing include any case where P enters insolvency.**]**

(4) In **[**F75subsections (3)(a) and (3A)**]** "insolvency" includes—

(a) bankruptcy,

(b) liquidation,

(c) bank insolvency,

(d) administration,

(e) bank administration,

(f) receivership,

(g) a composition between P and P's creditors, and

(h) a scheme of arrangement of P's affairs.

Textual Amendments

F72 S. 2J(1)(aa) inserted (26.10.2018) by The Financial Regulators Powers (Technical Standards etc.) (Amendment etc.) (EU Exit) Regulations 2018 (S.I. 2018/1115), regs. 1(2), **7(5)**

F73 Words in s. 2J(3) substituted (1.1.2019) by Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 1(5)(a)**, 148(5); S.I. 2018/1306, art. 2(a)

F74 S. 2J(3A) inserted (1.1.2019) by Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 1(5)(b)**, 148(5); S.I. 2018/1306, art. 2(a)

F75 Words in s. 2J(4) substituted (1.1.2019) by Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 1(5)(c)**, 148(5); S.I. 2018/1306, art. 2(a)

Supervision

2K Arrangements for supervision of PRA-authorised persons

The PRA must maintain arrangements for supervising PRA-authorised persons.

Arrangements for consulting practitioners

2L The PRA's general duty to consult

The PRA must make and maintain effective arrangements for consulting PRA-authorised persons or, where appropriate, persons appearing to the PRA to represent the interests of such persons on the extent to which its general policies and practices are consistent with its general duties under sections 2B to 2H.

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[F76 2LA Composition of Panels

(1) A person who receives remuneration from the FCA, the PRA, the Payment Systems Regulator, the Bank of England or the Treasury is disqualified from being appointed as a member of a panel established under any of sections 2M, 2MA or 138JA.

(2) Subsection (1) does not apply in respect of a panel mentioned in that subsection if regulations made by the Treasury provide for it not to apply to that panel.

(3) Regulations under subsection (2) may make provision in respect of a panel—

(a) generally, or

(b) only in relation to such descriptions of persons or cases as the regulations may specify (but the power to make such regulations may not be exercised so as to specify persons by name).**]**

Textual Amendments

F76 S. 2LA inserted (29.8.2023 for specified purposes, 26.12.2023 in so far as not already in force) by Financial Services and Markets Act 2023 (c. 29), **ss. 46(7)**, 86(3); S.I. 2023/779, reg. 4(jj)(ii); S.I. 2023/1382, reg. 7(c) (with reg. 17)

Modifications etc. (not altering text)

C56 S. 2LA(1) excluded (26.12.2023) by The Financial Services and Markets Act 2023 (Panel Remuneration and Reports) Regulations 2023 (S.I. 2023/1273), regs. 1(2), **2(2)**

2M The PRA Practitioner Panel

(1) Arrangements under section 2L must include the establishment and maintenance of a panel of persons (to be known as "the PRA Practitioner Panel") to represent the interests of practitioners.

(2) The PRA must appoint one of the members of the PRA Practitioner Panel to be its chair.

(3) The Treasury's approval is required for the appointment or dismissal of the chair.

(4) The PRA must appoint to the PRA Practitioner Panel such persons representing PRA-authorised persons as it considers appropriate.

(5) The PRA may appoint to the PRA Practitioner Panel such other persons as it considers appropriate.

[Subsections (4) and (5) are subject to section 2LA.**]**

F77(6)

Textual Amendments

F77 S. 2M(6) inserted (26.12.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 46(8)**, 86(3); S.I. 2023/1382, reg. 7(c) (with reg. 17)

Status: *This version of this Act contains provisions that are prospective.*
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[F78 2MA The Insurance Practitioner Panel

(1) Arrangements under section 2L must include the establishment and maintenance of a panel of persons (to be known as "the Insurance Practitioner Panel") to represent the interests of practitioners involved in the carrying on of the activity of effecting or carrying out of contracts of insurance.

(2) The PRA must appoint one of the members of the Insurance Practitioner Panel to be the chair of the Panel.

(3) The Treasury's approval is required for the appointment or dismissal of the chair.

(4) The PRA must appoint to the Insurance Practitioner Panel at least one person representing PRA-authorised persons engaged in the activity of effecting or carrying out of contracts of insurance.

(5) The PRA may appoint to the Insurance Practitioner Panel such other persons as it considers appropriate.

(6) Subsections (4) and (5) are subject to section 2LA.**]**

Textual Amendments

F78 S. 2MA inserted (29.8.2023 for specified purposes, 26.12.2023 in so far as not already in force) by Financial Services and Markets Act 2023 (c. 29), **ss. 42**, 86(3); S.I. 2023/779, reg. 4(ff); S.I. 2023/1382, reg. 7(b) (with reg. 17)

2N Duty to consider representations

(1) The PRA must consider representations that are made to it in accordance with arrangements made under section 2L.

(2) The PRA must from time to time publish in such manner as it thinks fit responses to the representations.

[F79 2NA Statement of policy on panel appointments

(1) The PRA must prepare and publish a statement of policy in relation to the appointment of members of its statutory panels.

(2) The statement must provide information about—

(a) the process adopted for making appointments;

(b) matters considered in determining who is appointed.

(3) The statement may provide whatever other information in relation to the making of appointments that the PRA considers appropriate.

(4) The PRA may alter or replace a statement published under this section.

(5) The PRA must publish a statement as altered or replaced under subsection (4).

(6) Before publishing a statement under this section the PRA must—

(a) consult the Treasury about the proposed statement, and

(b) have regard to any representations the Treasury make in response to the consultation.

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(7) Publication under this section is to be made in such manner as the PRA considers best designed to bring the statement to the attention of the public.

(8) In this section "statutory panel" means a panel established under section 2M, 2MA or 138JA.**]**

Textual Amendments

F79 S. 2NA inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 45(3)**, 86(3); S.I. 2023/779, reg. 4(ii)

[F80Requirements for public consultation

Textual Amendments

F80 S. 2NB and cross-heading inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 36(2)**, 86(3) (with savings in The Financial Services and Markets Act 2023 (Commencement No. 2 and Transitional Provisions) Regulations 2023 (S.I. 2023/936), **reg. 4**); S.I. 2023/779, **reg. 4(z)**

2NB Requirements in connection with public consultations

(1) This section applies where the PRA issues a public consultation.

(2) The PRA must include information in the consultation about any engagement by the PRA with the statutory panels of the FCA, the PRA or the Payment Systems Regulator in relation to the matters being consulted on.

(3) The PRA is not required under subsection (2) to include any information whose publication would in the opinion of the PRA be against the public interest.

(4) For the purposes of this section, the PRA issues a public consultation if it publishes the draft of any proposals for the purpose of bringing them to the attention of the public (whether or not under a duty to do so imposed by an enactment).

(5) In this section "statutory panel" has the meaning given by section 1RB(5).**]**

Reviews

F81 2O Reviews

. . . . . .

Textual Amendments

F81 S. 2O omitted (1.3.2017) by virtue of Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 27** (with Sch. 3); S.I. 2017/43, reg. 2(g)

F82 2P Right to obtain documents and information

. . . . . .

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Textual Amendments

F82 S. 2P omitted (1.3.2017) by virtue of Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 28** (with Sch. 3); S.I. 2017/43, reg. 2(g)

CHAPTER 3

FURTHER PROVISIONS RELATING TO FCA AND PRA

Introductory

3A Meaning of "regulator"

(1) This section has effect for the interpretation of this Act.

(2) The FCA and the PRA are the "regulators", and references to a regulator are to be read accordingly.

(3) Subsection (2) does not affect—

(a) the meaning of the following expressions—

"home state regulator";

"host state regulator";

"overseas regulator"; [F83]...

(b) the meaning of "the appropriate regulator" in Part 18 (**[**[F84]recognised investment exchanges, clearing houses and CSDs**]**) **[**[F85]or

(c) the meaning of "regulator" in sections 410A and 410B (fees to meet certain expenses of Treasury).**]**

Textual Amendments

F83 Word in s. 3A(3)(a) omitted (1.3.2014) by virtue of Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 135(2)(a)**, 148(5); S.I. 2014/377, art. 2(1)(a), Sch. Pt. 1

F84 Words in s. 3A(3)(b) substituted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, 2(2) (with regs. 7(4), 9(1))

F85 S. 3A(3)(c) and word inserted (1.3.2014) by Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 135(2)(b)**, 148(5); S.I. 2014/377, art. 2(1)(a), Sch. Pt. 1

Regulatory principles

3B Regulatory principles to be applied by both regulators

(1) In relation to the regulators, the regulatory principles referred to in section 1B(5)(a) and **[**[F86]2H(2)**]** are as follows—

(a) the need to use the resources of each regulator in the most efficient and economic way;

(b) the principle that a burden or restriction which is imposed on a person, or on the carrying on of an activity, should be proportionate to the benefits,

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considered in general terms, which are expected to result from the imposition of that burden or restriction;

[F87(c) the need to contribute towards achieving compliance by the Secretary of State with section 1 of the Climate Change Act 2008 (UK net zero emissions target) and section 5 of the Environment Act 2021 (environmental targets) where each regulator considers the exercise of its functions to be relevant to the making of such a contribution;**]**

(d) the general principle that consumers should take responsibility for their decisions;

(e) the responsibilities of the senior management of persons subject to requirements imposed by or under this Act, including those affecting consumers, in relation to compliance with those requirements;

(f) the desirability where appropriate of each regulator exercising its functions in a way that recognises differences in the nature of, and objectives of, businesses carried on by different persons **[**F88(including different kinds of person such as mutual societies and other kinds of business organisation)**]** subject to requirements imposed by or under this Act;

(g) the desirability in appropriate cases of each regulator publishing information relating to persons on whom requirements are imposed by or under this Act, or requiring such persons to publish information, as a means of contributing to the advancement by each regulator of its objectives;

(h) the principle that the regulators should exercise their functions as transparently as possible.

(2) "Consumer" has the meaning given in section 1G.

[F89(3) "Objectives"—

(a) in relation to the FCA means—

(i) operational objectives, and

(ii) in its application as a secondary objective, the competitiveness and growth objective (see section 1EB), and

(b) in relation to the PRA means—

(i) the PRA's objectives, and

(ii) in their application as secondary objectives, the competition objective and competitiveness and growth objective (see section 2H).**]**

[F90(3A) "Mutual society" has the same meaning as in section 138K.**]**

(4) The Treasury may by order amend subsection (2).

Textual Amendments

F86 Word in s. 3B(1) substituted (1.3.2014) by Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 130(2)**, 148(5); S.I. 2014/377, art. 2(1)(a), Sch. Pt. 1

F87 S. 3B(1)(c) substituted (29.8.2023 for specified purposes, 1.1.2025 for specified purposes) by Financial Services and Markets Act 2023 (c. 29), **ss. 27**, 86(3); S.I. 2023/779, reg. 4(r); S.I. 2023/1382, reg. 12(a) (with reg. 16(1))

F88 Words in s. 3B(1)(f) inserted (6.7.2016) by Bank of England and Financial Services Act 2016 (c. 14), **ss. 20(2)**, 41(3); S.I. 2016/627, reg. 2(1)(o)

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F89 S. 3B(3) substituted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 28(5)**, 86(3) (with savings in The Financial Services and Markets Act 2023 (Commencement No. 2 and Transitional Provisions) Regulations 2023 (S.I. 2023/936), **reg. 4**); S.I. 2023/779, **reg. 4(s)**

F90 S. 3B(3A) inserted (6.7.2016) by Bank of England and Financial Services Act 2016 (c. 14), **ss. 20(3)**, 41(3); S.I. 2016/627, reg. 2(1)(o)

Corporate governance

3C Duty to follow principles of good governance

In managing its affairs, **[**[F91]the FCA**]** must have regard to such generally accepted principles of good corporate governance as it is reasonable to regard as applicable to it.

Textual Amendments

F91 Words in s. 3C substituted (1.3.2017) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 29** (with Sch. 3); S.I. 2017/43, reg. 2(g)

Relationship between FCA and PRA

3D Duty of FCA and PRA to ensure co-ordinated exercise of functions

(1) The regulators must co-ordinate the exercise of their respective functions conferred by or under this Act with a view to ensuring—

(a) that each regulator consults the other regulator (where not otherwise required to do so) in connection with any proposed exercise of a function in a way that may have a material adverse effect on the advancement by the other regulator of any of its objectives;

(b) that where appropriate each regulator obtains information and advice from the other regulator in connection with the exercise of its functions in relation to matters of common regulatory interest in cases where the other regulator may be expected to have relevant information or relevant expertise;

(c) that where either regulator exercises functions in relation to matters of common regulatory interest, both regulators comply with their respective duties under section 1B(5)(a) or 2H(1)(a), so far as relating to the regulatory principles in section 3B(1)(a) and (b).

(2) The duty in subsection (1) applies only to the extent that compliance with the duty—

(a) is compatible with the advancement by each regulator of any of its objectives, and

(b) does not impose a burden on the regulators that is disproportionate to the benefits of compliance.

(3) A function conferred on either regulator by or under this Act relates to matters of common regulatory interest if—

(a) the other regulator exercises similar or related functions in relation to the same persons,

(b) the other regulator exercises functions which relate to different persons but relate to similar subject-matter, or

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(c) its exercise could affect the advancement by the other regulator of any of its objectives.

[F92(4) In this section, "objectives"—

(a) in relation to the FCA means—

(i) operational objectives **[**F93, or the purpose for which the FCA must exercise its functions under Part 8B (see section 131U(1))**]**, and

(ii) in its application as a secondary objective, the competitiveness and growth objective (see section 1EB), and

(b) in relation to the PRA means—

(i) the PRA's objectives, and

(ii) in their application as secondary objectives, the competition objective and competitiveness and growth objective (see section 2H).

(5) Where a regulator is proposing to exercise a function that is not one of its general functions, the reference to "objectives" in subsection (1)(a) does not include the secondary objectives mentioned in subsection (4)(a)(ii) and (b)(ii).

(6) In this section, "general functions"—

(a) in relation to the FCA, has the same meaning as in section 1B(6), and

(b) in relation to the PRA, has the same meaning as in section 2J(1).**]**

Textual Amendments

F92 S. 3D(4)-(6) substituted for s. 3D(4) (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 28(6)**, 86(3) (with savings in The Financial Services and Markets Act 2023 (Commencement No. 2 and Transitional Provisions) Regulations 2023 (S.I. 2023/936), **reg. 4**); S.I. 2023/779, **reg. 4(s)**

F93 Words in s. 3D(4) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), s. 86(2)(c), **Sch. 8 para. 3**

Modifications etc. (not altering text)

C57 S. 3D applied (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 1 para. 6(3)** (with reg. 7)

C58 S. 3D applied (with modifications) (6.4.2018 immediately after 2016 c. 16 (N.I.), s. 8(2) comes into force) by The Financial Services Act 2012 (Mutual Societies) Order 2018 (S.I. 2018/323), art. 1, **Sch. 1 para. 2(2)(c)** (with art. 3)

3E Memorandum of understanding

(1) The regulators must prepare and maintain a memorandum which describes in general terms—

(a) the role of each regulator in relation to the exercise of functions conferred by or under this Act which relate to matters of common regulatory interest, and

(b) how the regulators intend to comply with section 3D in relation to the exercise of such functions.

(2) The memorandum may in particular contain provisions about how the regulators intend to comply with section 3D in relation to—

(a) applications for Part 4A permission;

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(b) the variation of permission;

(c) the imposition of requirements;

(d) the obtaining and disclosure of information;

(e) cases where a PRA-authorised person is a member of a group whose other members include one or more other authorised persons (whether or not PRA-authorised persons);

F94(f) . . . . . .

(g) the making of rules;

[directions under section 71O (designated activities: directions);**]**

F95(ga)

(h) directions under section 138A (modification or waiver of rules);

(i) powers to appoint competent persons under Part 11 (information gathering and investigations) to conduct investigations on their behalf;

(j) functions under Part 12 (control over authorised persons);

F96(k) . . . . . .

(l) functions under Part 19 (Lloyd's);

(m) functions under section 347 (record of authorised persons etc.);

(n) functions under Part 24 (insolvency);

(o) fees payable to either regulator.

(3) The memorandum must contain provision about the co-ordination by the regulators of—

F97(a) . . . . . .

(b) their relations with regulatory bodies outside the United Kingdom, and

(c) the exercise of their functions in relation to the compensation scheme.

(4) The regulators must review the memorandum at least once in each calendar year.

(5) The regulators must give the Treasury a copy of the memorandum and any revised memorandum.

(6) The Treasury must lay before Parliament a copy of any document received by them under this section.

(7) The regulators must ensure that the memorandum as currently in force is published in the way appearing to them to be best calculated to bring it to the attention of the public.

(8) The memorandum need not relate to any aspect of compliance with section 3D if the regulators consider—

(a) that publication of information about that aspect would be against the public interest, or

(b) that that aspect is a technical or operational matter not affecting the public.

(9) The reference in subsection (1)(a) to matters of common regulatory interest is to be read in accordance with section 3D(3).

Textual Amendments

F94 S. 3E(2)(f) omitted (31.12.2020) by virtue of The EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018 (S.I. 2018/1149), reg. 1(3), **Sch. para. 2** (with reg. 4); 2020 c. 1, Sch. 5 para. 1(1)

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F95 S. 3E(2)(ga) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 8(4)**, 86(3); S.I. 2023/779, reg. 4(e)

F96 S. 3E(2)(k) omitted (31.12.2020) by virtue of The EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018 (S.I. 2018/1149), reg. 1(3), **Sch. para. 2** (with reg. 4); 2020 c. 1, Sch. 5 para. 1(1)

F97 S. 3E(3)(a) omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **7**; 2020 c. 1, Sch. 5 para. 1(1)

Modifications etc. (not altering text)

C59 S. 3E applied (with modifications) (6.4.2018 immediately after 2016 c. 16 (N.I.), s. 8(2) comes into force) by The Financial Services Act 2012 (Mutual Societies) Order 2018 (S.I. 2018/323), art. 1, **Sch. 1 para. 2(2)(d)** (with art. 3)

3F With-profits insurance policies

(1) The regulators must prepare and maintain a memorandum which describes in general terms—

(a) the role of each regulator in relation to the exercise of functions conferred by or under this Act so far as they relate to with-profits insurers, and

(b) how the regulators intend to comply with section 3D in relation to the exercise of those functions so far as they relate to the effecting or carrying out of with-profits policies by with-profits insurers.

(2) The memorandum required by this section may be combined with the memorandum required by section 3E.

(3) If the memorandum required by this section is contained in a separate document, the PRA and the FCA must publish the memorandum as currently in force in such manner as they think fit.

(4) Subsections (1) to (3) apply only if the effecting or carrying out of with-profits policies is a PRA-regulated activity.

(5) For the purposes of this section—

(a) a "with-profits policy" is a contract of insurance under which the policyholder is eligible to receive a financial benefit at the discretion of the insurer;

(b) a "with-profits insurer" is a PRA-authorised person who has a Part 4A permission, or permission resulting from any other provision of this Act, relating to the effecting or carrying out of with-profits policies (whether or not the permission also relates to contracts of insurance of other kinds).

(6) The Treasury may by order amend the definition of "with-profits policy" applying for the purposes of this section.

3G Power to establish boundary between FCA and PRA responsibilities

(1) The Treasury may by order specify matters that, in relation to the exercise by either regulator of its functions relating to PRA-authorised persons, are to be, or are to be primarily, the responsibility of one regulator rather than the other.

(2) The order may—

(a) provide that one regulator is or is not to have regard to specified matters when exercising specified functions;

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(b) require one regulator to consult the other.

3H Parliamentary control of orders under section 3G

(1) No order may be made under section 3G unless—

(a) a draft of the order has been laid before Parliament and approved by a resolution of each House, or

(b) subsection (3) applies.

(2) Subsection (3) applies if an order under section 3G contains a statement that the Treasury are of the opinion that, by reason of urgency, it is necessary to make the order without a draft being so laid and approved.

(3) Where this subsection applies the order—

(a) must be laid before Parliament after being made, and

(b) ceases to have effect at the end of the relevant period unless before the end of that period the order is approved by a resolution of each House of Parliament (but without that affecting anything done under the order or the power to make a new order).

(4) The "relevant period" is a period of 28 days beginning with the day on which the order is made.

(5) In calculating the relevant period no account is to be taken of any time during which Parliament is dissolved or prorogued or during which both Houses are adjourned for more than 4 days.

Power of PRA to restrain proposed action by FCA

3I Power of PRA to require FCA to refrain from specified action

(1) Where the first, second and third conditions are met, the PRA may give a direction under this section to the FCA.

(2) The first condition is that the FCA is proposing—

(a) to exercise any of its regulatory powers in relation to PRA-authorised persons generally, a class of PRA-authorised persons or a particular PRA-authorised person, or

(b) to exercise any of its insolvency powers in relation to—

(i) a PRA-authorised person,

(ii) an appointed representative whose principal, or one of whose principals, is a PRA-authorised person, or

(iii) a person who is carrying on a PRA-regulated activity in contravention of the general prohibition.

(3) In subsection (2)—

(a) "regulatory powers", in relation to the FCA, means

[its powers in relation to the regulation of authorised persons, other **F98**(i)**]** than its powers in relation to consent for the purposes of section 55F or 55I **[F99**, a power conferred on it by sections 234I to 234M**]** or its powers under Part 24 **[F100**, or

(ii) its powers in relation to designated activities under Part 5A;**]**

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(b) "insolvency powers", in relation to the FCA, means its powers under Part 24.

(4) The second condition is that the PRA is of the opinion that the exercise of the power in the manner proposed may—

(a) threaten the stability of the UK financial system, [F101]...

(b) result in the failure of a PRA-authorised person in a way that would adversely affect the UK financial system **[**[F102], or

(c) threaten the continuity of core services provided in the United Kingdom**]**.

(5) The third condition is that the PRA is of the opinion that the giving of the direction is necessary in order to avoid the possible consequence falling within subsection (4).

(6) A direction under this section is a direction requiring the FCA not to exercise the power or not to exercise it in a specified manner.

(7) The direction may be expressed to have effect during a specified period or until revoked.

(8) The FCA is not required to comply with a direction under this section if or to the extent that in the opinion of the FCA compliance would be incompatible with any [F103]... international obligation of the United Kingdom.

(9) The reference in subsection (4)(b) to the "failure" of a PRA-authorised person is to be read in accordance with section 2J(3) and (4).

Textual Amendments

F98 Words in s. 3I(3)(a) renumbered as s. 3I(3)(a)(i) (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 8(5)(a)**, 86(3); S.I. 2023/779, reg. 4(e)

F99 Words in s. 3I(3)(a) inserted (1.11.2014) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 8 para. 4**; S.I. 2014/2458, art. 2(b)(bb)(ii)

F100 S. 3I(3)(a)(ii) and word inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 8(5)(b)**, 86(3); S.I. 2023/779, reg. 4(e)

F101 Word in s. 3I(4)(a) omitted (1.1.2019) by virtue of Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 3(a)**, 148(5); S.I. 2018/1306, art. 2(c)

F102 S. 3I(4)(c) and word inserted (1.1.2019) by Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 3(b)**, 148(5); S.I. 2018/1306, art. 2(c)

F103 Words in s. 3I(8) omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **8**; 2020 c. 1, Sch. 5 para. 1(1)

Modifications etc. (not altering text)

C60 Ss. 3I-3K applied (with modifications) (6.4.2018 immediately after 2016 c. 16 (N.I.), s. 8(2) comes into force) by The Financial Services Act 2012 (Mutual Societies) Order 2018 (S.I. 2018/323), art. 1, Sch. 1 paras. 2(2)(e), **3** (with art. 3)

3J Power of PRA in relation to with-profits policies

(1) Where the first, second and third conditions are met, the PRA may give a direction under this section to the FCA.

(2) The first condition is that the FCA is proposing to exercise any of its regulatory powers in relation to with-profits insurers, a class of with-profits insurers or a particular with-profits insurer.

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(3) In subsection (2) "regulatory powers", in relation to the FCA, means its powers in relation to the regulation of authorised persons, including its powers under Part 24 (insolvency) but not its powers in relation to consent for the purposes of section 55F or 55I.

(4) The second condition is that the proposed exercise of the power relates to the provision of financial benefits under with-profits policies at the discretion of the insurer, or affects or may affect the amount, timing or distribution of financial benefits that are so provided or the entitlement to future benefits that are so provided.

(5) The third condition is that the PRA is of the opinion that the giving of the direction is desirable in order to advance the PRA's general objective or its insurance objective.

(6) A direction under this section is a direction requiring the FCA not to exercise the power or not to exercise it in a specified manner.

(7) The direction may be expressed to have effect during a specified period or until revoked.

(8) The FCA is not required to comply with a direction under this section if or to the extent that in the opinion of the FCA compliance would be incompatible with any **F104**... international obligation of the United Kingdom.

(9) Subsections (1) to (8) apply only if the effecting or carrying out of with-profits policies is a PRA-regulated activity.

(10) In this section "with-profits insurer" and "with-profits policy" have the same meaning as they have for the purposes of section 3F.

Textual Amendments

F104 Words in s. 3J(8) omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **9**; 2020 c. 1, Sch. 5 para. 1(1)

Modifications etc. (not altering text)

C60 Ss. 3I-3K applied (with modifications) (6.4.2018 immediately after 2016 c. 16 (N.I.), s. 8(2) comes into force) by The Financial Services Act 2012 (Mutual Societies) Order 2018 (S.I. 2018/323), art. 1, Sch. 1 paras. 2(2)(e), **3** (with art. 3)

3K Revocation of directions under section 3I or 3J

(1) The PRA may at any time by notice to the FCA revoke a direction under section 3I or 3J.

(2) The revocation of a direction under section 3I or 3J does not affect the validity of anything previously done in accordance with it.

Modifications etc. (not altering text)

C60 Ss. 3I-3K applied (with modifications) (6.4.2018 immediately after 2016 c. 16 (N.I.), s. 8(2) comes into force) by The Financial Services Act 2012 (Mutual Societies) Order 2018 (S.I. 2018/323), art. 1, Sch. 1 paras. 2(2)(e), **3** (with art. 3)

Status: *This version of this Act contains provisions that are prospective.*
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3L Further provisions about directions under section 3I or 3J

(1) Before giving a direction under section 3I or 3J, the PRA must consult the FCA.

(2) A direction under section 3I or 3J must be given or confirmed in writing, and must be accompanied by a statement of the reasons for giving it.

(3) A notice revoking a direction under section 3I or 3J must be given or confirmed in writing.

(4) The PRA must—

(a) publish the direction and statement, or the notice, in such manner as it thinks fit, and

(b) where the direction or notice relates to a particular authorised person or a particular with-profits insurer, give a copy of the direction and statement, or the notice, to that person.

(5) The PRA must give the Treasury a copy of—

(a) a direction under section 3I;

(b) a statement relating to such a direction;

(c) a notice revoking such a direction.

(6) The Treasury must lay before Parliament any document received by them under subsection (5).

(7) Subsection (4) does not apply where the PRA, after consulting the Treasury, decides that compliance with that subsection would be against the public interest, and at any time when this subsection excludes the application of subsection (4) in relation to a direction under section 3I, subsection (6) also does not apply.

(8) Where the PRA decides that compliance with subsection (4) would be against the public interest, it must from time to time review that decision and if it subsequently decides that compliance is no longer against the public interest it must—

(a) comply with that subsection, and

(b) in the case of a direction under section 3I, notify the Treasury for the purposes of subsection (6).

Directions relating to consolidated supervision

3M Directions relating to consolidated supervision of groups

(1) This section applies where one of the regulators ("the supervising regulator"), but not the other, is the competent authority for the purpose of consolidated supervision that is required in relation to some or all of the members of a group ("the relevant group") in pursuance of **[**F105—

(a) any implementing provision contained in subordinate legislation (within the meaning of the Interpretation Act 1978) made otherwise than by any of the following—

(i) statutory instrument, and

(ii) statutory rule for the purposes of the Statutory Rules (Northern Ireland) Order 1979 (S.I. 1979/1573 (N.I. 12)); F106...

(b) any other implementing provision (as amended from time to time),**]**

[Part 9C rules;

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F107(c)

(d) CRR rules; or

(e) rules made under section 192XA.**]**

(2) "Consolidated supervision" includes supplementary supervision.

["Implementing provision" means an enactment that immediately before IP completion F108(2A) day implemented provisions of any of the relevant directives.**]**

(3) The "relevant directives" are—

(a) the **[**F109capital requirements directive**]**;

(b) Directive 2002/87/EC of the European Parliament and of the Council on the supplementary supervision of credit institutions, insurance undertakings and investment firms in a financial conglomerate;

F110(c) . . . . . .

(d) Directive 2009/138/EC of the European Parliament and the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II).

[F111(e) Directive 2014/59/EU of the European Parliament and of the Council of 15th May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms.**]**

(4) The supervising regulator may, if it considers it necessary to do so for the effective consolidated supervision of the relevant group, give the other regulator a direction under this section.

(5) A direction under this section is a direction requiring the other regulator to exercise, or not to exercise, a relevant function in a specified manner in relation to authorised persons who are members of the relevant group.

(6) The direction may relate to members of the relevant group other than the members in respect of which consolidated supervision is required.

(7) A "relevant function", in relation to either regulator, is a function conferred by or under this Act which relates to the regulation of authorised persons, but does not include—

(a) the regulator's function of making rules under this Act;

(b) its function of preparing and issuing codes under this Act;

(c) its function of determining the general policy and principles by reference to which it performs particular functions;

(d) the FCA's functions in relation to the giving of general guidance;

(e) the PRA's functions in relation to the giving of guidance under section 2I;

(f) the FCA's functions in relation to consent for the purposes of section 55F or 55I.

(8) The direction may not require the regulator to which it is given ("the directed regulator") to do anything that it has no power to do, but the direction is relevant to the exercise of any discretion conferred on the directed regulator.

(9) The directed regulator must comply with the direction as soon as practicable, but this is subject to subsections (10) and (11).

(10) The directed regulator is not required to comply with a direction under this section if or to the extent that in its opinion compliance would be incompatible with any F112... international obligation of the United Kingdom.

Status: *This version of this Act contains provisions that are prospective.*
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(11) Directions given by the FCA under this section are subject to any directions given to the FCA under section 3I or 3J.

Textual Amendments

F105 S. 3M(1)(a)(b) substituted for words in s. 3M(1) (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **10(2)**; 2020 c. 1, Sch. 5 para. 1(1)

F106 Word in s. 3M(1)(a) omitted (1.1.2022) by virtue of The Financial Services Act 2021 (Prudential Regulation of Credit Institutions and Investment Firms) (Consequential Amendments and Miscellaneous Provisions) Regulations 2021 (S.I. 2021/1376), regs. 1(3), **4(2)(a)**

F107 S. 3M(1)(c)-(e) inserted (1.1.2022) by The Financial Services Act 2021 (Prudential Regulation of Credit Institutions and Investment Firms) (Consequential Amendments and Miscellaneous Provisions) Regulations 2021 (S.I. 2021/1376), regs. 1(3), **4(2)(b)**

F108 S. 3M(2A) inserted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **10(3)** (as amended by S.I. 2020/1301, regs. 1, 3, **Sch. para. 33(a)**); 2020 c. 1, **Sch. 5 para. 1(1)**

F109 Words in s. 3M(3)(a) substituted (1.1.2014) by The Capital Requirements Regulations 2013 (S.I. 2013/3115), reg. 1(2), **Sch. 2 para. 3(a)**

F110 S. 3M(3)(c) omitted (1.1.2014) by virtue of The Capital Requirements Regulations 2013 (S.I. 2013/3115), reg. 1(2), **Sch. 2 para. 3(b)**

F111 S. 3M(3)(e) inserted (1.1.2015) by The Bank Recovery and Resolution Order 2014 (S.I. 2014/3329), arts. 1(2), **113**

F112 Words in s. 3M(10) omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **10(4)**; 2020 c. 1, Sch. 5 para. 1(1)

3N Revocation of directions under section 3M

(1) The supervising regulator may at any time by notice to the other regulator revoke a direction under section 3M.

(2) The revocation of the direction does not affect the validity of anything previously done in accordance with it.

(3) Expressions defined for the purposes of section 3M have the same meaning in this section.

3O Further provisions about directions under section 3M

(1) Before giving a direction under section 3M, the supervising regulator must consult the other regulator.

(2) A direction under section 3M must be given or confirmed in writing, and must be accompanied by a statement of the reasons for giving it.

(3) A notice revoking a direction under section 3M must be given or confirmed in writing.

(4) The regulator to which a direction under section 3M is given must give a copy of the direction and statement to each of the authorised persons to whom the direction relates.

(5) The supervising regulator must publish the direction and statement, or the notice, in such manner as it thinks fit.

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(6) But subsection (4) or (5) does not apply in a case where the regulator on which the duty is imposed considers that compliance with that subsection would be against the public interest.

(7) In a case where a regulator decides that compliance with subsection (4) or (5) would be against the public interest, the regulator must from time to time review that decision and if it subsequently decides that compliance is no longer against the public interest it must comply with the subsection.

(8) Expressions defined for the purposes of section 3M have the same meaning in this section.

3P Consultation by regulator complying with direction

(1) If the directed regulator is required by this Act to consult any person other than the supervising regulator before exercising the relevant function to which the direction relates, the directed regulator must give the supervising regulator copies of any written representations received from the persons consulted.

(2) Expressions defined for the purposes of section 3M have the same meaning in this section.

Co-operation with Bank of England

3Q Co-operation by FCA [F113]... with Bank of England

(1) **[**[F114]The FCA**]** must take such steps as it considers appropriate to co-operate with the Bank of England in connection with—

(a) the pursuit by the Bank of its Financial Stability Objective, and

(b) the Bank's compliance with its duties under sections 58 and 59 of the Financial Services Act 2012 (duty to notify Treasury of possible need for public funds and of subsequent changes).

(2) Co-operation under subsection (1) may include the sharing of information that the **[**[F115]FCA**]** is not prevented from disclosing.

Textual Amendments

F113 Words in s. 3Q heading omitted (1.3.2017) by virtue of Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 30(2)** (with Sch. 3); S.I. 2017/43, reg. 2(g)

F114 Words in s. 3Q(1) substituted (1.3.2017) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 30(3)** (with Sch. 3); S.I. 2017/43, reg. 2(g)

F115 Word in s. 3Q(2) substituted (1.3.2017) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 30(4)** (with Sch. 3); S.I. 2017/43, reg. 2(g)

Arrangements for provision of services

3R Arrangements for provision of services

(1) The regulators may enter into arrangements with each other for the provision of services by one of them to the other.

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(2) **[**F116The FCA**]** may enter into arrangements with the Bank of England for the provision of services—

(a) by the Bank to the **[**F117FCA**]**, or

(b) by the **[**F118FCA**]** to the Bank.

(3) Either regulator may enter into arrangements with any of the bodies specified in subsection (4) for the provision of services by the regulator to that body.

(4) Those bodies are—

[F119(a) the **[**F120Money and Pensions Service**]** (see Part 1 of the Financial Guidance and Claims Act 2018),**]**

(b) the scheme manager (see section 212(1)), and

(c) the scheme operator (see section 225(2)).

(5) The FCA may enter into arrangements with—

(a) a local weights and measures authority in England, Wales or Scotland, or

(b) the Department of Enterprise, Trade and Investment in Northern Ireland,

for the provision by the authority or department to the FCA of services which relate to activities to which this subsection applies.

(6) Subsection (5) applies to activities that are regulated activities by virtue of—

(a) an order made under section 22(1) in relation to an investment of a kind falling within paragraph 23 or 23B of Schedule 2, or

(b) an order made under section 22(1A)(a).

(7) Arrangements under this section are to be on such terms as may be agreed by the parties.

Textual Amendments

F116 Words in s. 3R(2) substituted (1.3.2017) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 31(a)** (with Sch. 3); S.I. 2017/43, reg. 2(g)

F117 Word in s. 3R(2)(a) substituted (1.3.2017) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 31(b)** (with Sch. 3); S.I. 2017/43, reg. 2(g)

F118 Word in s. 3R(2)(b) substituted (1.3.2017) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 31(b)** (with Sch. 3); S.I. 2017/43, reg. 2(g)

F119 S. 3R(4)(a) substituted (1.10.2018) by Financial Guidance and Claims Act 2018 (c. 10), s. 37(5), **Sch. 3 para. 11**; S.I. 2018/1029, reg. 2(q) (with Sch. para. 1)

F120 Words in s. 3R(4)(a) substituted (6.4.2019) by The Financial Guidance and Claims Act 2018 (Naming and Consequential Amendments) Regulations 2019 (S.I. 2019/383), reg. 1(1), **Sch. para. 7(a)**

[F121 Rules

Textual Amendments

F121 Ss. 3RA-3RD and cross-heading inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 29(2)**, 86(3); S.I. 2023/779, reg. 4(t)

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3RA Duty of FCA and PRA to review rules

(1) Each regulator must keep under review generally any rules made by the regulator under this Act or any other enactment (whenever passed or made).

(2) Subsection (1) does not apply to rules made for the purpose of complying with a direction or recommendation of the Financial Policy Committee of the Bank of England under—

(a) section 9H of the Bank of England Act 1998 (directions to FCA or PRA requiring macro-prudential measures), or

(b) section 9Q of that Act (recommendations to FCA and PRA).

3RB Statement of policy relating to review of rules

(1) Each regulator must prepare and publish a statement of its policy with respect to its review of rules under section 3RA.

(2) The statement must provide information about—

(a) how representations (including by a statutory panel) can be made to each regulator with respect to its review of rules under section 3RA, and

(b) the arrangements to ensure that those representations are considered.

(3) In this section "statutory panel" has the meaning given by section 1RB(5).

(4) If a statement published under this section is altered or replaced by a regulator, the regulator must publish the altered or replaced statement.

(5) A statement prepared under this section must be published by the regulator in the way appearing to that regulator to be best designed to bring it to the attention of the public.

3RC Requirement to review specified rules

(1) The Treasury may by direction require a regulator to carry out a review of specified rules if—

(a) the rules have been in force for at least 12 months,

(b) the Treasury consider that it is in the public interest that the rules are reviewed, and

(c) it does not appear to the Treasury that—

(i) the regulator is carrying out, or proposes to carry out, a review of those rules, or

(ii) if the regulator proposes to carry out a review, the proposals are appropriate for the purposes of carrying out an effective review.

(2) Subsection (1) only applies to rules falling within section 3RA(1).

(3) The Treasury must consult the regulator concerned before giving a direction under subsection (1).

(4) In exercising the power under this section, the Treasury must have regard to the desirability of minimising any adverse effect that the carrying out of the review may have on the exercise by the regulator of any of its other functions.

(5) A direction under subsection (1) may—

(a) specify the period within which a review must be carried out;

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(b) determine the scope and conduct of a review;

(c) require the provision of interim reports during the carrying out of a review.

(6) Provision made in a direction under subsection (5)(b) may include a requirement—

(a) for a review to be carried out by a person appointed by the regulator who is independent of the regulator;

(b) for any such appointment to be made only with the approval of the Treasury.

(7) As soon as practicable after giving a direction under subsection (1) the Treasury must—

(a) lay before Parliament a copy of the direction, and

(b) publish the direction in such manner as the Treasury think fit.

(8) Subsection (7) does not apply where the Treasury consider that publication of the direction would be against the public interest.

(9) A direction under subsection (1) may be varied or revoked by the giving of a further direction.

3RD Report on certain reviews

(1) This section applies where the Treasury have given a direction to a regulator under section 3RC(1) to carry out a review.

(2) The regulator must make a written report to the Treasury as to the opinion of the regulator in relation to the following matters—

(a) if the regulator is the FCA, whether the rules under review—

(i) are compatible with the FCA's strategic objective,

(ii) advance one or more of the FCA's operational objectives, and

(iii) advance the competitiveness and growth objective;

(b) if the regulator is the PRA, whether the rules under review—

(i) advance one or more of the PRA's objectives, and

(ii) advance the PRA's competition objective and the PRA's competitiveness and growth objective;

(c) whether and to what extent the rules are functioning effectively and achieving their intended purpose;

(d) whether any amendments should be made to the rules and, if so, what those amendments should be;

(e) whether any rules should be revoked (with or without replacement);

(f) whether any other action should be taken and, if so, what that action should be.

(3) As soon as practicable after receiving the report the Treasury must—

(a) lay before Parliament a copy of the report, and

(b) publish the report in such manner as the Treasury think fit.

(4) When complying with subsection (3) the Treasury may withhold material from the report if the Treasury consider that publication of the material would be against the public interest.

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[

F122 3RE Power of Treasury to require making of rules by regulations

(1) The Treasury may by regulations require a regulator to exercise a power under this Act to make rules in relation to a specified activity or a specified description of person.

(2) Regulations under this section may—

(a) specify matters that the rules must cover;

(b) specify a period within which the rules must be made.

(3) But except so far as permitted by subsection (2), regulations under this section may not require rules to be made—

(a) in a specified form or with specified content, or

(b) to achieve or advance a specified outcome.

(4) If no period is specified under subsection (2)(b) the rules must be made as soon as reasonably practicable after the coming into force of the regulations.**]]**

Textual Amendments

F122 S. 3RE inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 30(2)**, 86(3); S.I. 2023/779, reg. 4(u)

*Enhancing public understanding of financial matters etc.**]***

F123 3S The consumer financial education body

. . . . . .

Textual Amendments

F123 S. 3S omitted (6.4.2021) by virtue of Financial Guidance and Claims Act 2018 (c. 10), s. 37(5), **Sch. 3 para. 12**; S.I. 2021/433, reg. 2(b)(ii)

[F124*Interpretation*

Textual Amendments

F124 S. 3T and cross-heading inserted (6.7.2016) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 32** (with Sch. 3); S.I. 2016/627, reg. 2(2)(i)

3T Interpretation

In this Part "enactment" includes—

(a) an enactment contained in subordinate legislation within the meaning of the Interpretation Act 1978;

(b) an enactment contained in, or in an instrument made under, an Act of the Scottish Parliament;

(c) an enactment contained in, or in an instrument made under, a Measure or Act of the National Assembly for Wales;

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(d) an enactment contained in, or in an instrument made under, Northern Ireland legislation.**]**

PART II

REGULATED AND PROHIBITED ACTIVITIES

The general prohibition

19 The general prohibition.

(1) No person may carry on a regulated activity in the United Kingdom, or purport to do so, unless he is—

(a) an authorised person; or

(b) an exempt person.

(2) The prohibition is referred to in this Act as the general prohibition.

Modifications etc. (not altering text)

C61 S. 19(1) excluded (temp.) by S.I. 2013/1773, reg. 72(6B)(a) (as inserted (16.6.2014) by The Alternative Investment Fund Managers Order 2014 (S.I. 2014/1292), arts. 1(2), **4(5)(b)**)(as amended by S.I. 2014/1313, arts. 1, 2(a))

C62 S. 19(1)(b) modified by S.I. 2018/1149, reg. 47 (as inserted (1.3.2019) by The Financial Services Contracts (Transitional and Saving Provision) (EU Exit) Regulations 2019 (S.I. 2019/405), regs. 1(2), **3**)

Requirement for permission

20 Authorised persons acting without permission.

(1) If an authorised person **[**F125other than a PRA-authorised person**]** carries on a regulated activity in the United Kingdom, or purports to do so, otherwise than in accordance with permission—

[F126(a) given to that person under Part 4A, or**]**

(b) resulting from any other provision of this Act,

he is to be taken to have contravened a requirement imposed on him by the **[**F127FCA**]** under this Act.

[F128(1A) If a PRA-authorised person carries on a regulated activity in the United Kingdom, or purports to do so, otherwise than in accordance with permission given to the person under Part 4A or resulting from any other provision of this Act, the person is to be taken to have contravened—

(a) a requirement imposed by the FCA, and

(b) a requirement imposed by the PRA.**]**

[F129(2) A contravention within subsection (1) or (1A)—

(a) does not, except as provided by section 23(1A), make a person guilty of an offence,

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(b) does not, except as provided by section 26A, make any transaction void or unenforceable, and

(c) does not, except as provided by subsection (3), give rise to any right of action for breach of statutory duty.**]**

(3) In prescribed cases **[**F130a contravention within subsection (1) or (1A)**]** is actionable at the suit of a person who suffers loss as a result of the contravention, subject to the defences and other incidents applying to actions for breach of statutory duty.

[F131(4) Subsections (1) and (1A) are subject to section 39(1D).

(5) References in this Act to an authorised person acting in contravention of this section are references to the person acting in a way that results in a contravention within subsection (1) or (1A).**]**

Textual Amendments

F125 Words in s. 20(1) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 2(2)(a)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F126 S. 20(1)(a) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 2(2)(b)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F127 Word in s. 20(1) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 2(2)(c)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F128 S. 20(1A) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 2(3)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F129 S. 20(2) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 2(4)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F130 Words in s. 20(3) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 2(5)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F131 S. 20(4)(5) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 2(6)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

Modifications etc. (not altering text)

C63 S. 20 excluded (1.12.2001) by S.I. 2001/2636, **arts. 1(2)(b)**, 62(1)-(4); S.I. 2001/3538, **art. 2(1)**
S. 20 applied (1.12.2001) by S.I. 2001/2636, **arts. 1(2)(b)**, 62(5); S.I. 2001/3538, **art. 2(1)**
S. 20 modified (31.10.2001) by S.I. 2001/3374, art. 1, **Sch. para. 2**

C64 S. 20 modified (31.10.2004) by The Financial Services and Markets Act 2000 (Transitional Provisions) (Mortgages) Order 2004 (S.I. 2004/2615), arts. 1(2)(b), 5, **Sch. para. 2**

C65 S. 20 modified (14.1.2005) by The Financial Services and Markets Act 2000 (Transitional Provisions) (General Insurance Intermediaries) Order 2004 (S.I. 2004/3351), arts. 1(2)(b), 5, **Sch. para. 2**

C66 S. 20 modified (6.4.2007) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2006 (S.I. 2006/1969), arts. 1(3), 7, **Sch. para. 2**

C67 S. 20 modified (30.6.2008 for certain purposes, otherwise 1.1.2009) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No. 2) Order 2007 (S.I. 2007/3510), arts. 1(2), **7(1)(2)**

C68 S. 20 modified (1.7.2009 for certain purposes, otherwise 30.6.2010) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2009 (S.I. 2009/1342), **arts. 1(2)**, 34, {Sch. paras. 1, 2}

C69 S. 20 modified (2.4.2013) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2013 (S.I. 2013/655), arts. 1, **10(3)**

C70 S. 20 modified (1.4.2015) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2015 (S.I. 2015/369), arts. 1, **7(3)**

Status: *This version of this Act contains provisions that are prospective.*
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C71 S. 20(1)(1A) excluded (22.7.2013) by The Alternative Investment Fund Managers Regulations 2013 (S.I. 2013/1773), regs. 1, **76(2)**, 78(4)

C72 S. 20(1)(1A) excluded (temp.) by S.I. 2013/1773, reg. 72(6B)(a) (as inserted (16.6.2014) by The Alternative Investment Fund Managers Order 2014 (S.I. 2014/1292), arts. 1(2), **4(5)(b)**)(as amended by S.I. 2014/1313, arts. 1, 2(a))

Commencement Information

I1 S. 20 wholly in force at 1.12.2001; s. 20 not in force at Royal Assent see s. 431(2); s. 20(3) in force for certain purposes at 25.2.2001 by S.I. 2001/516, art. 2(b), **Sch. Pt. 2**; s. 20 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**

Financial promotion

21 Restrictions on financial promotion.

(1) A person ("A") must not, in the course of business, communicate an invitation or inducement to

[[F132](a)**]** engage in investment activity **[**[F133], or

(b) to engage in claims management activity.**]**

(2) But subsection (1) does not apply if—

(a) A is an authorised person; or

(b) the content of the communication is approved for the purposes of this section by an authorised person.

[[F134](2A) The content of a communication may be approved for the purposes of this section by an authorised person only if the giving of the approval—

(a) is permitted under section 55NA (which enables approval to be given with FCA permission), or

(b) falls within an exemption conferred by regulations under section 55NB.**]**

(3) In the case of a communication originating outside the United Kingdom, subsection (1) applies only if the communication is capable of having an effect in the United Kingdom.

(4) The Treasury may by order specify circumstances in which a person is to be regarded for the purposes of subsection (1) as—

(a) acting in the course of business;

(b) not acting in the course of business.

(5) The Treasury may by order specify circumstances (which may include compliance with financial promotion rules) in which subsection (1) does not apply.

(6) An order under subsection (5) may, in particular, provide that subsection (1) does not apply in relation to communications—

(a) of a specified description;

(b) originating in a specified country or territory outside the United Kingdom;

(c) originating in a country or territory which falls within a specified description of country or territory outside the United Kingdom; or

(d) originating outside the United Kingdom.

(7) The Treasury may by order repeal subsection (3).

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(8) "Engaging in investment activity" means—

(a) entering or offering to enter into an agreement the making or performance of which by either party constitutes a controlled activity; or

(b) exercising any rights conferred by a controlled investment to acquire, dispose of, underwrite or convert a controlled investment.

(9) An activity is a controlled activity if—

(a) it is an activity of a specified kind or one which falls within a specified class of activity; and

(b) it relates to an investment of a specified kind, or to one which falls within a specified class of investment.

(10) An investment is a controlled investment if it is an investment of a specified kind or one which falls within a specified class of investment.

[F135(10A) "Engaging in claims management activity" means entering into or offering to enter into an agreement the making or performance of which by either party constitutes a controlled claims management activity.

(10B) An activity is a "controlled claims management activity" if—

(a) it is an activity of a specified kind,

(b) it is, or relates to, claims management services, and

(c) it is carried on in Great Britain.**]**

(11) Schedule 2 (except paragraph 26) applies for the purposes of subsections (9) and (10) with references to section 22 being read as references to each of those subsections.

(12) Nothing in Schedule 2, as applied by subsection (11), limits the powers conferred by subsection (9) or (10).

[F136(12A) Paragraph 25 of Schedule 2 applies for the purposes of subsection (10B) with the references to section 22 in sub-paragraph (3) of that paragraph being read as references to subsection (10B).**]**

(13) "Communicate" includes causing a communication to be made.

(14) "Investment" includes any asset, right or interest **[**F137(including where an asset, right or interest is, or comprises or represents, a cryptoasset)**]**.

(15) "Specified" means specified in an order made by the Treasury.

Textual Amendments

F132 Words in s. 21(1) renumbered as s. 21(1)(a) (E.W.S.) (6.10.2018) by Financial Guidance and Claims Act 2018 (c. 10), **ss. 27(3)(a)(i)**, 37(5); S.I. 2018/1045, reg. 2(a)

F133 S. 21(1)(b) and word inserted (E.W.S.) (6.10.2018) by Financial Guidance and Claims Act 2018 (c. 10), **ss. 27(3)(a)(ii)**, 37(5); S.I. 2018/1045, reg. 2(a)

F134 S. 21(2A) inserted (6.9.2023 for specified purposes, 6.11.2023 for specified purposes, 7.2.2024 in so far as not already in force) by Financial Services and Markets Act 2023 (c. 29), **ss. 20(2)**, 86(3) (with s. 20(5)); S.I. 2023/936, reg. 2(1)(a)(b)(2)(a)(ii)(3)(4) (with reg. 3)

F135 S. 21(10A)(10B) inserted (E.W.S.) (6.10.2018) by Financial Guidance and Claims Act 2018 (c. 10), **ss. 27(3)(b)**, 37(5); S.I. 2018/1045, reg. 2(a)

F136 S. 21(12A) inserted (E.W.S.) (6.10.2018) by Financial Guidance and Claims Act 2018 (c. 10), **ss. 27(3)(c)**, 37(5); S.I. 2018/1045, reg. 2(a)

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F137 Words in s. 21(14) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 69(2)**, 86(3); S.I. 2023/779, reg. 4(uu)

Modifications etc. (not altering text)

C73 S. 21 modified by S.I. 2018/1149, **reg. 58** (as inserted (1.3.2019) by The Financial Services Contracts (Transitional and Saving Provision) (EU Exit) Regulations 2019 (S.I. 2019/405), regs. 1(2), **3**) (as amended by S.I. 2019/1010, regs. 1(3), **4**; 2020 c. 1, **Sch. 5 para. 1(1)**)

C74 S. 21 modified by S.I. 2018/1149, **reg. 42** (as inserted (1.3.2019) by The Financial Services Contracts (Transitional and Saving Provision) (EU Exit) Regulations 2019 (S.I. 2019/405), regs. 1(2), **2**)

C75 S. 21 modified (31.12.2020) by The Electronic Commerce and Solvency 2 (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/1361), regs. 1(2), **18** (as amended by S.I. 2019/1390, regs. 1(2), 6); 2020 c. 1, Sch. 5 para. 1(1)

C76 S. 21 modified (25.2.2026 for specified purposes) by The Financial Services and Markets Act 2000 (Cryptoassets) Regulations 2026 (S.I. 2026/102), regs. 1(2)(3), **60** (with regs. 53-56)

C77 S. 21(1) modified (31.10.2001) by S.I. 2001/3374, art. 1, **Sch. para. 6**

C78 S. 21(1) modified (31.10.2004) by The Financial Services and Markets Act 2000 (Transitional Provisions) (Mortgages) Order 2004 (S.I. 2004/2615), arts. 1(2)(b), 5, **Sch. para. 6**

C79 S. 21(1) modified (14.1.2005) by The Financial Services and Markets Act 2000 (Transitional Provisions) (General Insurance Intermediaries) Order 2004 (S.I. 2004/3351), arts. 1(2)(b), 5, **Sch. para. 6**

C80 S. 21(1) modified (6.4.2007) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2006 (S.I. 2006/1969), arts. 1(3), 7, **Sch. para. 6**

C81 S. 21(1) excluded (3.7.2002) by Welsh Development Agency Act 1975 (c. 70), Sch. 1 para. 21 (as substituted) by The Financial Services and Markets Act 2000 (Consequential Amendments) Order 2002 (S.I. 2002/1555), **arts. 1**, 6

C82 S. 21(1) excluded (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), regs. 1(2)(3)(4)(6), **14(1)** (with reg. 7)

C83 S. 21(2) modified (30.6.2008 for certain purposes, otherwise 1.1.2009) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No. 2) Order 2007 (S.I. 2007/3510), arts. 1(2), **8(1)(3)**

C84 S. 21(2) modified (1.7.2009 for certain purposes, otherwise 30.6.2010) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2009 (S.I. 2009/1342), **arts. 1(2)**, 34, {Sch. paras. 1, 3}

C85 S. 21(2) modified (26.7.2013 for specified purposes, 2.9.2013 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No.2) Order 2013 (S.I. 2013/1881), arts. 1(2)(5), **59(3)**

C86 S. 21(2) modified (E.W.S.) (29.11.2018 for specified purposes, 1.4.2019 in so far as not already in force) by The Financial Services and Markets Act 2000 (Claims Management Activity) Order 2018 (S.I. 2018/1253), arts. 1(2)(3), **83(5)**

Commencement Information

I2 S. 21 wholly in force at 1.12.2001; s. 21 not in force at Royal Assent see s. 431(2); s. 21 in force for certain purposes at 25.2.2001 by S.I. 2001/516, art. 2(b), **Sch. Pt. 2**; s. 21 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**

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Regulated activities

22 [F138Regulated activities]

(1) An activity is a regulated activity for the purposes of this Act if it is an activity of a specified kind which is carried on by way of business and—

(a) relates to an investment of a specified kind; or

(b) in the case of an activity of a kind which is also specified for the purposes of this paragraph, is carried on in relation to property of any kind.

[F139(1A) An activity is also a regulated activity for the purposes of this Act if it is an activity of a specified kind which is carried on by way of business and relates to—

(a) information about a person's financial standing, F140... [F141or]

F142(b) . . . . . .

F143(c) [administering a benchmark.]]

[F144(1B) An activity is also a regulated activity for the purposes of this Act if it is an activity of a specified kind which—

(a) is carried on by way of business in Great Britain, and

(b) is, or relates to, claims management services.]

(2) Schedule 2 makes provision supplementing this section.

(3) Nothing in Schedule 2 limits the powers conferred by [F145subsection (1) [F146or (1A)]][F145subsections (1) to (1B)] .

(4) "Investment" includes any asset, right or interest [F147(including where an asset, right or interest is, or comprises or represents, a cryptoasset)].

(5) "Specified" means specified in an order made by the Treasury.

F148(6) . . . . . .

[F149(6A) For the purposes of subsection (1A)(c), "benchmark" has the meaning given by Article 3 of the EU Benchmarks Regulation 2016, and "administering" a benchmark means acting as an administrator of that benchmark within the meaning of that Article.]

Textual Amendments

F138 S. 22 heading substituted (24.1.2013) by Financial Services Act 2012 (c. 21), **ss. 7(1)(d)**, 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(a), Sch. Pt. 1

F139 S. 22(1A) inserted (24.1.2013) by Financial Services Act 2012 (c. 21), **ss. 7(1)(a)**, 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(a), Sch. Pt. 1

F140 Word in s. 22(1A)(a) omitted (27.2.2018) by virtue of The Financial Services and Markets Act 2000 (Benchmarks) Regulations 2018 (S.I. 2018/135), regs. 1(2), **38(a)**

F141 Word in s. 22(1A)(a) inserted (1.5.2020) by The Financial Services and Markets Act 2000 (Benchmarks) Regulations 2018 (S.I. 2018/135), regs. 1(2)(b), **39(a)**

F142 S. 22(1A)(b) omitted (1.5.2020) by virtue of The Financial Services and Markets Act 2000 (Benchmarks) Regulations 2018 (S.I. 2018/135), regs. 1(2)(b), **39(b)**

F143 S. 22(1A)(c) inserted (27.2.2018) by The Financial Services and Markets Act 2000 (Benchmarks) Regulations 2018 (S.I. 2018/135), regs. 1(2), **38(c)**

F144 S. 22(1B) inserted (E.W.S.) (6.10.2018) by Financial Guidance and Claims Act 2018 (c. 10), **ss. 27(4)(a)**, 37(5); S.I. 2018/1045, reg. 2(a)

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F145 Words in s. 22(3) substituted (E.W.S.) (6.10.2018) by Financial Guidance and Claims Act 2018 (c. 10), **ss. 27(4)(b)**, 37(5); S.I. 2018/1045, reg. 2(a)

F146 Words in s. 22(3) inserted (24.1.2013) by Financial Services Act 2012 (c. 21), **ss. 7(1)(b)**, 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(a), Sch. Pt. 1

F147 Words in s. 22(4) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 69(3)**, 86(3); S.I. 2023/779, reg. 4(uu)

F148 S. 22(6) omitted (1.5.2020) by virtue of The Financial Services and Markets Act 2000 (Benchmarks) Regulations 2018 (S.I. 2018/135), regs. 1(2)(b), **39(c)**

F149 S. 22(6A) inserted (27.2.2018) by The Financial Services and Markets Act 2000 (Benchmarks) Regulations 2018 (S.I. 2018/135), regs. 1(2), **38(e)**

Modifications etc. (not altering text)

C87 S. 22 applied (1.9.2002) by 1974 c. 39, **s. 16(6E)(a)** (as inserted (1.9.2002) by 2001/544, arts. 2(2)(b), 90(2))

C88 S. 22 applied (E.W.) (7.6.2013) by The Energy Supply Company Administration Rules 2013 (S.I. 2013/1046), rules 1, **10(7)(a)** (with rules 3, 208)

C89 S. 22 applied by S.S.I. 2011/141, **Sch. 4 para. 1(2)** (as substituted (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No. 2) Order 2013 (S.I. 2013/1881), art. 1(2)(6), **Sch. para. 43(a)**)

C90 S. 22 applied by 2009 c. 4, s. 502(1A) (as inserted (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No. 2) Order 2013 (S.I. 2013/1881), art. 1(2)(6), **Sch. para. 16(b)**)

C91 S. 22 applied by 2007 c. 3, s. 564B(1A) (as inserted (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No. 2) Order 2013 (S.I. 2013/1881), art. 1(2)(6), **Sch. para. 12(b)**)

C92 S. 22 applied by S.I. 2012/2079, reg. 2(1A) (as inserted (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No. 2) Order 2013 (S.I. 2013/1881), art. 1(2)(6), **Sch. para. 44(a)(ii)**)

C93 S. 22 applied by S.I. 2004/400, reg. 5(7) (as inserted (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No. 2) Order 2013 (S.I. 2013/1881), art. 1(2)(6), **Sch. para. 25(b)**)

C94 S. 22 applied by S.I. 2001/497, reg. 113(6) (as inserted (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No. 2) Order 2013 (S.I. 2013/1881), art. 1(2)(6), **Sch. para. 23(b)**)

C95 S. 22 applied by S.I. 2013/380, Sch. 6 para. 11(9) (as inserted (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No. 2) Order 2013 (S.I. 2013/1881), art. 1(2)(6), **Sch. para. 45(b)**)

C96 S. 22 applied by S.I. 2001/341, reg. 114(6) (as inserted (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No. 2) Order 2013 (S.I. 2013/1881), art. 1(2)(6), **Sch. para. 22(b)**)

C97 S. 22 applied by S.I. 2008/1741, reg. 112(5) (as inserted (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No. 2) Order 2013 (S.I. 2013/1881), art. 1(2)(6), **Sch. para. 37(b)**)

C98 S. 22 applied by S.I. 2008/570, Sch. para. 11(2) (as substituted (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No. 2) Order 2013 (S.I. 2013/1881), art. 1(2)(6), **Sch. para. 35**)

C99 S. 22 applied by 2003 c. 1, s. 554O(6) (as inserted (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No. 2) Order 2013 (S.I. 2013/1881), art. 1(2)(6), **Sch. para. 9(c)**)

C100 S. 22 applied by S.I. 2007/2157, reg. 23(6) (as inserted (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No. 2) Order 2013 (S.I. 2013/1881), art. 1(2)(6), **Sch. para. 31(5)(b)**)

C101 S. 22 applied by S.I. 2008/700, **Sch. para. 12(2)** (as substituted (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No. 2) Order 2013 (S.I. 2013/1881), art. 1(2)(6), **Sch. para. 36**)

C102 S. 22 applied (16.8.2013) by The Democratic People s Republic of Korea (European Union Financial Sanctions) Regulations 2013 (S.I. 2013/1877), regs. 1(1), **2(2)(a)** (with reg. 21)

C103 S. 22 applied (8.8.2018) by The Republic of Maldives (Asset-Freezing) Regulations 2018 (S.I. 2018/861), regs. 1(1), **2(2)(a)** (with reg. 17)

C104 S. 22 applied (31.12.2020) by The Syria (Sanctions) (EU Exit) Regulations 2019 (S.I. 2019/792), regs. 1(3), **23(2)**, 55(8), 70(4); 2020 c. 1, Sch. 5 para. 1(1)

C105 S. 22 applied (31.12.2020) by The Russia (Sanctions) (EU Exit) Regulations 2019 (S.I. 2019/855), regs. 1(2), **58(8)**, 71(4); 2020 c. 1, Sch. 5 para. 1(1)

C106 S. 22 applied (E.W.) (1.6.2023) by The Hartlepool Development Corporation (Functions) Order 2023 (S.I. 2023/446), arts. 1(3), **16(8)**

C107 S. 22 applied (E.W.) (1.6.2023) by The Middlesbrough Development Corporation (Functions) Order 2023 (S.I. 2023/447), arts. 1(3), **16(8)**

C108 S. 22 applied (10.10.2024) by The Trade, Aircraft and Shipping Sanctions (Civil Enforcement) Regulations 2024 (S.I. 2024/948), regs. 1(2), **15(1)** (with regs. 14, 29)

[F150 22A Designation of activities requiring prudential regulation by PRA

(1) The Treasury may by order specify the regulated activities that are "PRA-regulated activities" for the purposes of this Act.

(2) An order under subsection (1) may—

(a) provide for exceptions;

(b) confer powers on the Treasury or either regulator;

(c) authorise the making of rules or other instruments by either regulator for purposes of, or connected with, any relevant provision;

(d) make provision in respect of any information or document which in the opinion of the Treasury or either regulator is relevant for purposes of, or connected with, any relevant provision;

(e) make such consequential, transitional, or supplemental provision as the Treasury consider appropriate for purposes of, or connected with, any relevant provision.

(3) Provision made as a result of subsection (2)(e) may amend any primary or subordinate legislation, including any provision of, or made under, this Act.

(4) "Relevant provision" means this section or any provision made under this section.

Textual Amendments

F150 Ss. 22A, 22B inserted (24.1.2013) by Financial Services Act 2012 (c. 21), **ss. 9**, 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(a), Sch. Pt. 1

22B Parliamentary control in relation to certain orders under section 22A

(1) This section applies to the first order made under section 22A(1).

(2) This section also applies to any subsequent order made under section 22A(1) which—

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(a) contains a statement by the Treasury that, in their opinion, the effect (or one of the effects) of the proposed order would be—

(i) that an activity would become a PRA-regulated activity, or

(ii) that a PRA-regulated activity would become a regulated activity that is not a PRA-regulated activity, or

(b) amends primary legislation.

(3) No order to which this section applies may be made unless—

(a) a draft of the order has been laid before Parliament and approved by a resolution of each House, or

(b) subsection (5) applies.

(4) Subsection (5) applies if an order to which this section applies contains a statement that the Treasury are of the opinion that, by reason of urgency, it is necessary to make the order without a draft being so laid and approved.

(5) Where this subsection applies the order—

(a) must be laid before Parliament after being made, and

(b) ceases to have effect at the end of the relevant period unless before the end of that period the order is approved by a resolution of each House of Parliament (but without that affecting anything done under the order or the power to make a new order).

(6) The "relevant period" is a period of 28 days beginning with the day on which the order is made.

(7) In calculating the relevant period no account is to be taken of any time during which Parliament is dissolved or prorogued or during which both Houses are adjourned for more than 4 days.**]**

Textual Amendments

F150 Ss. 22A, 22B inserted (24.1.2013) by Financial Services Act 2012 (c. 21), **ss. 9**, 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(a), Sch. Pt. 1

Offences

23 Contravention of the general prohibition [F151or section 20(1) or (1A)].

(1) A person who contravenes the general prohibition is guilty of an offence and liable—

(a) on summary conviction, to imprisonment for a term not exceeding six months or a fine not exceeding the statutory maximum, or both;

(b) on conviction on indictment, to imprisonment for a term not exceeding two years or a fine, or both.

[F152(1A) An authorised person ("A") is guilty of an offence if A carries on a credit-related regulated activity in the United Kingdom, or purports to do so, otherwise than in accordance with permission—

(a) given to that person under Part 4A, or

(b) resulting from any other provision of this Act.

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(1B) In this Act "credit-related regulated activity" means a regulated activity of a kind designated by the Treasury by order.

(1C) The Treasury may designate a regulated activity under subsection (1B) only if the activity involves a person—

(a) entering into or administering an agreement under which the person provides another person with credit,

(b) exercising or being able to exercise the rights of the lender under an agreement under which another person provides a third party with credit, or

(c) taking steps to procure payment of debts due under an agreement under which another person is provided with credit.

(1D) But a regulated activity may not be designated under subsection (1B) if the agreement in question is one under which the obligation of the borrower is secured on land.

(1E) "Credit" includes any cash loan or other financial accommodation.

(1F) A person guilty of an offence under subsection (1A) is liable—

(a) on summary conviction, to imprisonment for a term not exceeding the applicable maximum term or a fine not exceeding the statutory maximum, or both;

(b) on conviction on indictment, to imprisonment for a term not exceeding two years, or a fine, or both.

(1G) The "applicable maximum term" is—

(a) in England and Wales, **[**[F153]the general limit in a magistrates' court**]** (or 6 months, if the offence was committed before the commencement of **[**[F154]2 May 2022**]**);

(b) in Scotland, 12 months;

(c) in Northern Ireland, 6 months.**]**

(2) In this Act "an authorisation offence" means an offence under this section.

(3) In proceedings for an authorisation offence it is a defence for the accused to show that he took all reasonable precautions and exercised all due diligence to avoid committing the offence.

[[F155](4) Subsection (1A) is subject to section 39(1D).

(5) No proceedings may be brought against a person in respect of an offence under subsection (1A) in a case where either regulator has taken action under section 205, 206 or 206A in relation to the alleged contravention within section 20(1) or (1A).**]**

Textual Amendments

F151 Words in s. 23 heading inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 3(4)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F152 S. 23(1A)-(1G) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 3(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F153 Words in s. 23(1G)(a) substituted (7.2.2023 at 12.00 p.m.) by The Judicial Review and Courts Act 2022 (Magistrates' Court Sentencing Powers) Regulations 2023 (S.I. 2023/149), regs. 1(2), 2(1), **Sch. Pt. 1** table

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

F154 Words in s. 23(1G)(a) substituted (28.4.2022) by The Criminal Justice Act 2003 (Commencement No. 33) and Sentencing Act 2020 (Commencement No. 2) Regulations 2022 (S.I. 2022/500), regs. 1(2), 5(1), **Sch. Pt. 1**

F155 S. 23(4)(5) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 3(3)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

[F156 23A Parliamentary control in relation to certain orders under section 23

(1) This section applies to the first order made under section 23(1B).

(2) This section also applies to any subsequent order made under section 23(1B) which contains a statement by the Treasury that, in their opinion, the effect (or one of the effects) of the proposed order would be that an activity would become a credit-related regulated activity.

(3) An order to which this section applies may not be made unless a draft of the order has been laid before Parliament and approved by a resolution of each House.]

Textual Amendments

F156 S. 23A inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 4** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

24 False claims to be authorised or exempt.

(1) A person who is neither an authorised person nor, in relation to the regulated activity in question, an exempt person is guilty of an offence if he—

(a) describes himself (in whatever terms) as an authorised person;

(b) describes himself (in whatever terms) as an exempt person in relation to the regulated activity; or

(c) behaves, or otherwise holds himself out, in a manner which indicates (or which is reasonably likely to be understood as indicating) that he is—

(i) an authorised person; or

(ii) an exempt person in relation to the regulated activity.

(2) In proceedings for an offence under this section it is a defence for the accused to show that he took all reasonable precautions and exercised all due diligence to avoid committing the offence.

(3) A person guilty of an offence under this section is liable on summary conviction to imprisonment for a term not exceeding six months or a fine not exceeding level 5 on the standard scale, or both.

(4) [F157 But where the conduct constituting the offence involved or included the public display of any material, the maximum fine for the offence is level 5 on the standard scale multiplied by the number of days for which the display continued.]

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Textual Amendments

F157 S. 24(4) omitted (E.W.) (12.3.2015) by virtue of The Legal Aid, Sentencing and Punishment of Offenders Act 2012 (Fines on Summary Conviction) Regulations 2015 (S.I. 2015/664), reg. 1(1), **Sch. 5 para. 7** (with reg. 5(1))

25 Contravention of section 21.

(1) A person who contravenes section 21(1) is guilty of an offence and liable—

(a) on summary conviction, to imprisonment for a term not exceeding six months or a fine not exceeding the statutory maximum, or both;

(b) on conviction on indictment, to imprisonment for a term not exceeding two years or a fine, or both.

(2) In proceedings for an offence under this section it is a defence for the accused to show—

(a) that he believed on reasonable grounds that the content of the communication was prepared, or approved for the purposes of section 21 **[**[F158]in accordance with subsection (2A) of that section**]**, by an authorised person; or

(b) that he took all reasonable precautions and exercised all due diligence to avoid committing the offence.

Textual Amendments

F158 Words in s. 25(2)(a) inserted (6.9.2023 for specified purposes, 6.11.2023 for specified purposes, 7.2.2024 in so far as not already in force) by Financial Services and Markets Act 2023 (c. 29), s. 86(3), **Sch. 5 para. 3** (with s. 20(5)); S.I. 2023/936, reg. 2(1)(a)(b)(2)(b)(ii)(3)(4) (with reg. 3)

Modifications etc. (not altering text)

C109 S. 25 applied (22.7.2013) by The Alternative Investment Fund Managers Regulations 2013 (S.I. 2013/1773), regs. 1, **52(2)**(3)

C110 S. 25(2)(a) modified (31.10.2001) by S.I. 2001/3374, art. 1, **Sch. para. 6**

C111 S. 25(2)(a) modified (31.10.2004) by The Financial Services and Markets Act 2000 (Transitional Provisions) (Mortgages) Order 2004 (S.I. 2004/2615), arts. 1(2)(b), 5, **Sch. para. 6**

C112 S. 25(2)(a) modified (14.1.2005) by The Financial Services and Markets Act 2000 (Transitional Provisions) (General Insurance Intermediaries) Order 2004 (S.I. 2004/3351), arts. 1(2)(b), 5, **Sch. para. 6**

Enforceability of agreements

26 Agreements made by unauthorised persons.

(1) An agreement made by a person in the course of carrying on a regulated activity in contravention of the general prohibition is unenforceable against the other party.

(2) The other party is entitled to recover—

(a) any money or other property paid or transferred by him under the agreement; and

(b) compensation for any loss sustained by him as a result of having parted with it.

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(3) "Agreement" means an agreement—

(a) made after this section comes into force; and

(b) the making or performance of which constitutes, or is part of, the regulated activity in question.

(4) This section does not apply if the regulated activity is accepting deposits.

Modifications etc. (not altering text)

C113 S. 26(1)(2) applied (1.12.2001) by S.I. 2001/2657, **arts. 1(1)**, 5(1)(4) (which was revoked (8.10.2001) by S.I. 2001/3083, **arts. 1(2)**, 23); S.I. 2001/3538, **art. 2(1)**
S. 26(1)(2) applied (1.12.2001) by S.I. 2001/3083, **arts. 1(2)**, 5(1); S.I. 2001/3538, **art. 2(1)**

[F159 26A Agreements relating to credit

(1) An agreement that is made by an authorised person in contravention of section 20 is unenforceable against the other party if the agreement is entered into in the course of carrying on a credit-related regulated activity involving matters falling within section 23(1C)(a).

(2) The other party is entitled to recover—

(a) any money or other property paid or transferred by that party under the agreement, and

(b) compensation for any loss sustained by that party as a result of having parted with it.

(3) In subsections (1) and (2) "agreement" means an agreement—

(a) which is made after this section comes into force, and

(b) the making or performance of which constitutes, or is part of, the credit-related regulated activity.

(4) If the administration of an agreement involves the carrying on of a credit-related regulated activity, the agreement may not be enforced by a person for the time being exercising the rights of the lender under the agreement unless that person

[F160(a) has permission, given under Part 4A or resulting from any other provision of this Act, in relation to that activity **]**

[F161(b) is an appointed representative in relation to that activity,

(c) is an exempt person in relation to that activity, or

(d) is a person to whom, as a result of Part 20, the general prohibition does not apply in relation to that activity**]**.

(5) If the taking of steps to procure payment of debts due under an agreement involves the carrying on of a credit-related regulated activity, the agreement may not be enforced by a person for the time being exercising the rights of the lender under the agreement unless

[F162(a) the agreement is enforced in accordance with permission—

[F163(i) given under Part 4A to the person enforcing the agreement, or **]**

[F163(ii) resulting from any other provision of this Act. **]**

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[F164(b) that person is an appointed representative in relation to that activity,

(c) that person is an exempt person in relation to that activity, or

(d) that person is a person to whom, as a result of Part 20, the general prohibition does not apply in relation to that activity.**]]**

Textual Amendments

F159 S. 26A inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 5** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F160 Words in s. 26A(4) renumbered as s. 26A(4)(a) (6.7.2016) by Bank of England and Financial Services Act 2016 (c. 14), **ss. 27(2)(a)**, 41(3); S.I. 2016/627, reg. 2(1)(u)

F161 S. 26A(4)(b)-(d) inserted (6.7.2016) by Bank of England and Financial Services Act 2016 (c. 14), **ss. 27(2)(b)**, 41(3); S.I. 2016/627, reg. 2(1)(u)

F162 Words in s. 26A(5) renumbered as s. 26A(5)(a) (6.7.2016) by Bank of England and Financial Services Act 2016 (c. 14), **ss. 27(3)(a)**, 41(3); S.I. 2016/627, reg. 2(1)(u)

F163 Words in s. 26A(5) renumbered as s. 26A(5)(a)(i)(ii) (6.7.2016) by Bank of England and Financial Services Act 2016 (c. 14), **ss. 27(3)(a)**, 41(3); S.I. 2016/627, reg. 2(1)(u)

F164 S. 26A(5)(b)-(d) inserted (6.7.2016) by Bank of England and Financial Services Act 2016 (c. 14), **ss. 27(3)(b)**, 41(3); S.I. 2016/627, reg. 2(1)(u)

27 Agreements made through unauthorised persons.

[F165(1) This section applies to an agreement that—

(a) is made by an authorised person ("the provider") in the course of carrying on a regulated activity,

(b) is not made in contravention of the general prohibition,

(c) if it relates to a credit-related regulated activity, is not made in contravention of section 20, and

(d) is made in consequence of something said or done by another person ("the third party") in the course of—

(i) a regulated activity carried on by the third party in contravention of the general prohibition, or

(ii) a credit-related regulated activity carried on by the third party in contravention of section 20.

[F166(1ZA) But this section does not apply to a regulated credit agreement or a regulated consumer hire agreement unless the provider knows before the agreement is made that the third party had some involvement in the making of the agreement or matters preparatory to its making.**]**

(1A) **[**F167An agreement to which this section applies**]** is unenforceable against the other party.**]**

(2) The other party is entitled to recover—

(a) any money or other property paid or transferred by him under the agreement; and

(b) compensation for any loss sustained by him as a result of having parted with it.

(3) "Agreement" means an agreement—

(a) made after this section comes into force; and

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(b) the making or performance of which constitutes, or is part of, the regulated activity in question carried on by the provider.

(4) This section does not apply if the regulated activity is accepting deposits.

[[F168](5) For the purposes of subsection (1ZA)—

"regulated consumer hire agreement" has the meaning given by article 60N of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (S.I. 2001/544);

"regulated credit agreement" has the meaning given by article 60B of that Order.**]**

Textual Amendments

F165 S. 27(1)(1A) substituted for s. 27(1) (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 6** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F166 S. 27(1ZA) inserted (6.7.2016) by Bank of England and Financial Services Act 2016 (c. 14), **ss. 28(2)**, 41(3); S.I. 2016/627, reg. 2(1)(v)

F167 Words in s. 27(1A) substituted (6.7.2016) by Bank of England and Financial Services Act 2016 (c. 14), **ss. 28(3)**, 41(3); S.I. 2016/627, reg. 2(1)(v)

F168 S. 27(5) inserted (6.7.2016) by Bank of England and Financial Services Act 2016 (c. 14), **ss. 28(4)**, 41(3); S.I. 2016/627, reg. 2(1)(v)

Modifications etc. (not altering text)

C114 S. 27(1)(2) applied (1.12.2001) by S.I. 2001/2657, **arts. 1(1)**, 5(2)(5) (which was revoked (8.10.2001) by S.I. 2001/3083, **arts. 1(2)**, 23); S.I. 2001/3538, **art. 2(1)**
S. 27(1)(2) applied (1.12.2001) by S.I. 2001/3083, **arts. 1(2)**, 5(2); S.I. 2001/3538, **art. 2(1)**

28 Agreements made unenforceable by section 26 or 27[F169: general cases].

(1) This section applies to an agreement which is unenforceable because of section 26 or 27**[**[F170], other than an agreement entered into in the course of carrying on a credit-related regulated activity**]**.

(2) The amount of compensation recoverable as a result of that section is—

(a) the amount agreed by the parties; or

(b) on the application of either party, the amount determined by the court.

(3) If the court is satisfied that it is just and equitable in the circumstances of the case, it may allow—

(a) the agreement to be enforced; or

(b) money and property paid or transferred under the agreement to be retained.

(4) In considering whether to allow the agreement to be enforced or (as the case may be) the money or property paid or transferred under the agreement to be retained the court must—

(a) if the case arises as a result of section 26, have regard to the issue mentioned in subsection (5); or

(b) if the case arises as a result of section 27, have regard to the issue mentioned in subsection (6).

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(5) The issue is whether the person carrying on the regulated activity concerned reasonably believed that he was not contravening the general prohibition by making the agreement.

(6) The issue is whether the provider knew that the third party was (in carrying on the regulated activity) contravening the general prohibition.

(7) If the person against whom the agreement is unenforceable—

(a) elects not to perform the agreement, or

(b) as a result of this section, recovers money paid or other property transferred by him under the agreement,

he must repay any money and return any other property received by him under the agreement.

(8) If property transferred under the agreement has passed to a third party, a reference in section 26 or 27 or this section to that property is to be read as a reference to its value at the time of its transfer under the agreement.

(9) The commission of an authorisation offence does not make the agreement concerned illegal or invalid to any greater extent than is provided by section 26 or 27.

Textual Amendments

F169 Words in s. 28 heading inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 7(b)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F170 Words in s. 28(1) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 7(a)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

Modifications etc. (not altering text)

C115 S. 28 applied (with modifications) (1.12.2001) by S.I. 2001/2657, **arts. 1(1)**, 5(6) (which was revoked (8.10.2001) by S.I. 2001/3083, **arts. 1(2)**, 23); S.I. 2001/3538, **art. 2(1)**
S. 28 applied (with modifications) (1.12.2001) by S.I. 2001/3083, **arts. 1(2)**, 5(6); S.I. 2001/3538, **art. 2(1)**

[F171 28A Credit-related agreements made unenforceable by section 26, 26A or 27

(1) This section applies to an agreement that—

(a) is entered into in the course of carrying on a credit-related regulated activity, and

(b) is unenforceable because of section 26, 26A or 27.

(2) The amount of compensation recoverable as a result of that section is—

(a) the amount agreed by the parties, or

(b) on the application of either party, the amount specified in a written notice given by the FCA to the applicant.

(3) If on application by the relevant firm the FCA is satisfied that it is just and equitable in the circumstances of the case, it may by written notice to the applicant allow—

(a) the agreement to be enforced, or

(b) money paid or property transferred under the agreement to be retained.

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(4) In considering whether to allow the agreement to be enforced or (as the case may be) the money or property paid or transferred under the agreement to be retained the FCA must—

(a) if the case arises as a result of section 26 or 26A, have regard to the issue mentioned in subsection (5), or

(b) if the case arises as a result of section 27, have regard to the issue mentioned in subsection (6).

(5) The issue is whether the relevant firm reasonably believed that by making the agreement the relevant firm was neither contravening the general prohibition nor contravening section 20.

(6) The issue is whether the provider knew that the third party was (in carrying on the credit-related regulated activity) either contravening the general prohibition or contravening section 20.

(7) An application to the FCA under this section by the relevant firm may relate to specified agreements or to agreements of a specified description or made at a specified time.

(8) "The relevant firm" means—

(a) in a case falling within section 26, the person in breach of the general prohibition;

(b) in a case falling within section 26A or 27, the authorised person concerned.

(9) If the FCA thinks fit, it may when acting under subsection (2)(b) or (3)—

(a) limit the determination in its notice to specified agreements, or agreements of a specified description or made at a specified time;

(b) make the determination in its notice conditional on the doing of specified acts by the applicant.

Textual Amendments

F171 Ss. 28A, 28B inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 8** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

Modifications etc. (not altering text)

C116 S. 28A applied (with modifications) (26.2.2014 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Consumer Credit) (Miscellaneous Provisions) Order 2014 (S.I. 2014/208), arts. 1(3)(4), **2(2)**

28B Decisions under section 28A: procedure

(1) A notice under section 28A(2)(b) or (3) must—

(a) give the FCA's reasons for its determination, and

(b) give an indication of—

(i) the right to have the matter referred to the Tribunal that is conferred by subsection (3), and

(ii) the procedure on such a reference.

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(2) The FCA must, so far as it is reasonably practicable to do so, give a copy of the notice to any other person who appears to it to be affected by the determination to which the notice relates.

(3) A person who is aggrieved by the determination of an application under section 28A(2)(b) or (3) may refer the matter to the Tribunal.**]**

Textual Amendments

F171 Ss. 28A, 28B inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 8** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

29 Accepting deposits in breach of general prohibition.

(1) This section applies to an agreement between a person ("the depositor") and another person ("the deposit-taker") made in the course of the carrying on by the deposit-taker of accepting deposits in contravention of the general prohibition.

(2) If the depositor is not entitled under the agreement to recover without delay any money deposited by him, he may apply to the court for an order directing the deposit-taker to return the money to him.

(3) The court need not make such an order if it is satisfied that it would not be just and equitable for the money deposited to be returned, having regard to the issue mentioned in subsection (4).

(4) The issue is whether the deposit-taker reasonably believed that he was not contravening the general prohibition by making the agreement.

(5) "Agreement" means an agreement—

(a) made after this section comes into force; and

(b) the making or performance of which constitutes, or is part of, accepting deposits.

30 Enforceability of agreements resulting from unlawful communications.

(1) In this section—

"unlawful communication" means a communication in relation to which there has been a contravention of section 21(1);

"controlled agreement" means an agreement the making or performance of which by either party constitutes a controlled activity for the purposes of that section; and

"controlled investment" has the same meaning as in section 21.

(2) If in consequence of an unlawful communication a person enters as a customer into a controlled agreement, it is unenforceable against him and he is entitled to recover—

(a) any money or other property paid or transferred by him under the agreement; and

(b) compensation for any loss sustained by him as a result of having parted with it.

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(3) If in consequence of an unlawful communication a person exercises any rights conferred by a controlled investment, no obligation to which he is subject as a result of exercising them is enforceable against him and he is entitled to recover—

(a) any money or other property paid or transferred by him under the obligation; and

(b) compensation for any loss sustained by him as a result of having parted with it.

(4) But the court may allow—

(a) the agreement or obligation to be enforced, or

(b) money or property paid or transferred under the agreement or obligation to be retained,

if it is satisfied that it is just and equitable in the circumstances of the case.

(5) In considering whether to allow the agreement or obligation to be enforced or (as the case may be) the money or property paid or transferred under the agreement to be retained the court must have regard to the issues mentioned in subsections (6) and (7).

(6) If the applicant made the unlawful communication, the issue is whether he reasonably believed that he was not making such a communication.

(7) If the applicant did not make the unlawful communication, the issue is whether he knew that the agreement was entered into in consequence of such a communication.

(8) "Applicant" means the person seeking to enforce the agreement or obligation or retain the money or property paid or transferred.

(9) Any reference to making a communication includes causing a communication to be made.

(10) The amount of compensation recoverable as a result of subsection (2) or (3) is—

(a) the amount agreed between the parties; or

(b) on the application of either party, the amount determined by the court.

(11) If a person elects not to perform an agreement or an obligation which (by virtue of subsection (2) or (3)) is unenforceable against him, he must repay any money and return any other property received by him under the agreement.

(12) If (by virtue of subsection (2) or (3)) a person recovers money paid or property transferred by him under an agreement or obligation, he must repay any money and return any other property received by him as a result of exercising the rights in question.

(13) If any property required to be returned under this section has passed to a third party, references to that property are to be read as references to its value at the time of its receipt by the person required to return it.

Modifications etc. (not altering text)

C117 S. 30 applied (22.7.2013) by The Alternative Investment Fund Managers Regulations 2013 (S.I. 2013/1773), regs. 1, **52(5)**

Status: *This version of this Act contains provisions that are prospective.*
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PART III

AUTHORISATION AND EXEMPTION

Authorisation

31 Authorised persons.

(1) The following persons are authorised for the purposes of this Act—

(a) a person who has a **[**F172Part 4A permission**]** to carry on one or more regulated activities;

F173(b) . . . . . .

F174(c) . . . . . .

(d) a person who is otherwise authorised by a provision of, or made under, this Act.

(2) In this Act "authorised person" means a person who is authorised for the purposes of this Act.

Textual Amendments

F172 Words in s. 31(1)(a) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 11(1)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F173 S. 31(1)(b) omitted (31.12.2020) by virtue of The EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018 (S.I. 2018/1149), regs. 1(3), **2(2)** (with reg. 4); 2020 c. 1, Sch. 5 para. 1(1)

F174 S. 31(1)(c) omitted (31.12.2020) by virtue of The EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018 (S.I. 2018/1149), regs. 1(3), **2(3)** (with reg. 4); 2020 c. 1, Sch. 5 para. 1(1)

Modifications etc. (not altering text)

C118 S. 31 applied (with modifications) (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), **Sch. 1 para. 4** (with Sch. 12)

Commencement Information

I3 S. 31 wholly in force at 1.12.2001; s. 31 not in force at Royal Assent see s. 431(2); s. 31(1)(b) in force for specified purposes at 25.2.2001 by S.I. 2001/516, art. 2(c), **Sch. Pt. 3**; s. 31(1)(b) in force for specified purposes at 18.6.2001 by S.I. 2001/1820, art. 2, **Sch.**; s. 31(1)(c) in force for specified purposes at 3.9.2001 by S.I. 2001/2632, art. 2(2), **Sch. Pt. 2**; s. 31 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**

32 Partnerships and unincorporated associations.

(1) If a firm is authorised—

(a) it is authorised to carry on the regulated activities concerned in the name of the firm; and

(b) its authorisation is not affected by any change in its membership.

(2) If an authorised firm is dissolved, its authorisation continues to have effect in relation to any **[**F175individual or**]** firm which succeeds to the business of the dissolved firm.

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[F176(3) For the purposes of this section, an individual or firm is to be regarded as succeeding to the business of a dissolved firm only if succession is to the whole or substantially the whole of the business of the former firm.**]**

(4) "Firm" means—

(a) a partnership; or

(b) an unincorporated association of persons.

(5) "Partnership" does not include a partnership which is constituted under the law of any place outside the United Kingdom and is a body corporate.

Textual Amendments

F175 Words in s. 32(2) inserted (12.7.2007) by The Regulatory Reform (Financial Services and Markets Act 2000) Order 2007 (S.I. 2007/1973), **art. 3(a)**

F176 S. 32(3) substituted (12.7.2007) by The Regulatory Reform (Financial Services and Markets Act 2000) Order 2007 (S.I. 2007/1973), **art. 3(b)**

Ending of authorisation

33 Withdrawal of authorisation F177....

(1) This section applies if—

(a) an authorised person's **[**F178Part 4A permission**]** is cancelled; and

(b) as a result, there is no regulated activity for which he has permission.

(2) The **[**F179appropriate regulator**]** must give a direction withdrawing that person's status as an authorised person.

[F180(2A) In subsection (2) "the appropriate regulator" means—

(a) in the case of a PRA-authorised person, the PRA, and

(b) in any other case, the FCA.**]**

Textual Amendments

F177 Words in s. 33 heading omitted (1.4.2013) by virtue of Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 18 para. 2(5)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F178 Words in s. 33(1)(a) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 18 para. 2(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F179 Words in s. 33(2) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 18 para. 2(3)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F180 S. 33(2A) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 18 para. 2(4)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F181 34 EEA firms.

. . . . . .

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Textual Amendments

F181 S. 34 omitted (31.12.2020) by virtue of The EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018 (S.I. 2018/1149), reg. 1(3), **Sch. para. 3** (with reg. 4); 2020 c. 1, Sch. 5 para. 1(1)

F182 35 Treaty firms.

. . . . . .

Textual Amendments

F182 S. 35 omitted (31.12.2020) by virtue of The EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018 (S.I. 2018/1149), reg. 1(3), **Sch. para. 4** (with reg. 4); 2020 c. 1, Sch. 5 para. 1(1)

[F183 36 Authorised open-ended investment companies

Schedule 5 makes provision about authorised open-ended investment companies.**]**

Textual Amendments

F183 S. 36 substituted (31.12.2020) by The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), **4** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

Exercise of EEA rights by UK firms

F184 37 Exercise of EEA rights by UK firms.

. . . . . .

Textual Amendments

F184 S. 37 omitted (31.12.2020) by virtue of The EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018 (S.I. 2018/1149), regs. 1(3), **2(4)** (with reg. 4); 2020 c. 1, Sch. 5 para. 1(1)

Exemption

38 Exemption orders.

(1) The Treasury may by order ("an exemption order") provide for—

(a) specified persons, or

(b) persons falling within a specified class,

to be exempt from the general prohibition.

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(2) But a person cannot be an exempt person as a result of an exemption order if he has a **[**[F185]Part 4A permission**]**.

(3) An exemption order may provide for an exemption to have effect—

(a) in respect of all regulated activities;

(b) in respect of one or more specified regulated activities;

(c) only in specified circumstances;

(d) only in relation to specified functions;

(e) subject to conditions.

(4) "Specified" means specified by the exemption order.

Textual Amendments

F185 Words in s. 38(2) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 18 para. 4** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

Modifications etc. (not altering text)

C119 S. 38(2) modified (31.10.2001) by S.I. 2001/3374, art. 1, **Sch. para. 3**

C120 S. 38(2) modified (31.10.2004) by The Financial Services and Markets Act 2000 (Transitional Provisions) (Mortgages) Order 2004 (S.I. 2004/2615), arts. 1(2)(b), 5, **Sch. para. 3**

C121 S. 38(2) modified (14.1.2005) by The Financial Services and Markets Act 2000 (Transitional Provisions) (General Insurance Intermediaries) Order 2004 (S.I. 2004/3351), arts. 1(2)(b), 5, **Sch. para. 3**

C122 S. 38(2) modified (6.4.2007) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2006 (S.I. 2006/1969), arts. 1(3), 7, **Sch. para. 3(a)**

C123 S. 38(2) modified (30.6.2008 for certain purposes, otherwise 1.1.2009) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No. 2) Order 2007 (S.I. 2007/3510), arts. 1(2), **7(1)(3)**

C124 S. 38(2) modified (1.7.2009 for certain purposes, otherwise 30.6.2010) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2009 (S.I. 2009/1342), **arts. 1(2)**, 34, {Sch. paras. 1, 3}

C125 S. 38(2) modified (2.4.2013) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2013 (S.I. 2013/655), arts. 1, **10(5)(a)**

C126 S. 38(2) modified (26.7.2013 for specified purposes, 2.9.2013 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No.2) Order 2013 (S.I. 2013/1881), arts. 1(2)(5), **59(2)(a)**

C127 S. 38(2) modified (1.4.2015) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2015 (S.I. 2015/369), arts. 1, **7(6)(a)**

C128 S. 38(2) modified (E.W.S.) (29.11.2018 for specified purposes, 1.4.2019 in so far as not already in force) by The Financial Services and Markets Act 2000 (Claims Management Activity) Order 2018 (S.I. 2018/1253), arts. 1(2)(3), **83(3)**

39 Exemption of appointed representatives.

(1) If a person (other than an authorised person)—

(a) is a party to a contract with an authorised person ("his principal") which—

(i) permits or requires him to carry on business of a prescribed description, and

(ii) complies with such requirements as may be prescribed, and

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(b) is someone for whose activities in carrying on the whole or part of that business his principal has accepted responsibility in writing,

he is exempt from the general prohibition in relation to any regulated activity comprised in the carrying on of that business for which his principal has accepted responsibility.

[F186(1ZA) But a person is not exempt as a result of subsection (1) if subsection (1A) **[**F187, (1AA)**]** or (1BA) applies to the person.**]**

[F188(1A) **[**F189This subsection applies to a person**]** —

(a) if his principal is an investment firm **[**F190, a **[**F191qualifying credit institution**]**, or **[**F192a firm which has a Part 4A permission to carry on regulated activities as an exempt investment firm within the meaning of regulation 8 of the Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701)**]]**, and

(b) so far as the business for which his principal has accepted responsibility is investment services business,

unless he is entered on the applicable register.

F193(1AA) **[** This subsection applies to a person—

(a) if the person's principal is an investment firm **[**F194, a **[**F195qualifying credit institution**]**, or a person mentioned in Article 3.1 (optional exemptions) of the markets in financial instruments directive**]**, and

(b) so far as the business for which the person's principal has accepted responsibility is selling, or advising clients on, structured deposits F196...,

unless the person is entered on the applicable register.**]**

(1B) **[**F197In subsections (1A) and (1AA)**]** The "applicable register" is **[**F198the record maintained by the FCA by virtue of section 347(1)(ha)**]**.

F199(1BA) **[** This subsection applies to a person ("A")—

(a) if A's principal is a mortgage intermediary, and

(b) so far as the business for which A's principal has accepted responsibility is of a kind **[**F200that**]**—

(i) **[**F201is**]** specified in article 25A (arranging regulated mortgage contracts), article 36A (credit broking), article 53A (advising on regulated mortgage contracts) or article 53DA (advising on regulated credit agreements the purpose of which is to acquire land) of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001; and

[F202(ii) relates to mortgage agreements entered into on or after 21st March 2016,**]**

unless A meets the requirements of subsection (1BB).

(1BB) The requirements of this subsection are—

(a) that A is entered on the record maintained by the FCA by virtue of section 347(1)(hb);

(b) that A's principal is a person who has a Part 4A permission to carry on one or more of the regulated activities mentioned in subsection (1BA)(b)(i); and

(c) that A's principal is not a tied mortgage intermediary.**]**

[Subsection (1D) applies where an authorised person ("A")—

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F203(1C) (a) has permission under Part 4A, or permission resulting from any other provision of this Act, only in relation to one or more qualifying activities,

(b) is a party to a contract with another authorised person (A's "principal") which—

(i) permits or requires A to carry on business of a prescribed description ("the relevant business"), and

(ii) complies with such requirements as may be prescribed, and

(c) is someone for whose activities in carrying on the whole or part of the relevant business A's principal has accepted responsibility in writing.

(1D) Sections 20(1) and (1A) and 23(1A) do not apply in relation to the carrying on by A of a relevant additional activity.

(1E) In subsections (1C) and (1D)—

(a) "qualifying activity" means a regulated activity which is of a prescribed kind and relates—

(i) to rights under a contract of the kind mentioned in paragraph 23 of Schedule 2, other than one under which the obligation of the borrower to repay is secured on land, or

(ii) to rights under a contract of the kind mentioned in paragraph 23B of that Schedule;

(b) "relevant additional activity" means a regulated activity which—

(i) is not one to which A's permission relates, and

(ii) is comprised in the carrying on of the business for which A's principal has accepted responsibility.**]**

[F204(2) In this Act "appointed representative" means—

(a) a person who is exempt as a result of subsection (1), or

(b) a person carrying on a regulated activity in circumstances where, as a result of subsection (1D), sections 20(1) and (1A) and 23(1A) do not apply.**]**

(3) The principal of an appointed representative is responsible, to the same extent as if he had expressly permitted it, for anything done or omitted by the representative in carrying on the business for which he has accepted responsibility.

[F205(4) In determining whether an authorised person has complied with—

(a) a provision contained in or made under this Act, F206...

[F207(aa) a provision contained in or made under the Securitisation Regulations 2024, or**]**

(b) a **[**F208qualifying provision**]** that is specified, or of a description specified, for the purposes of this subsection by the Treasury by order,

anything which a relevant person has done or omitted as respects business for which the authorised person has accepted responsibility is to be treated as having been done or omitted by the authorised person.**]**

(5) "Relevant person" means a person who at the material time is or was an appointed representative by virtue of being a party to a contract with the authorised person.

(6) Nothing in subsection (4) is to cause the knowledge or intentions of an appointed representative to be attributed to his principal for the purpose of determining whether the principal has committed an offence, unless in all the circumstances it is reasonable for them to be attributed to him.

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[F209(7) A person carries on "investment services business" if, under the full and unconditional responsibility of only one investment firm on whose behalf the person acts, the person—

(a) promotes investment services or ancillary services to the firm's clients or prospective clients,

(b) receives and transmits instructions or orders from clients in respect of investment services or financial instruments,

(c) places financial instruments, or

(d) provides advice to clients or prospective clients in respect of investment services or financial instruments.**]**

[F210(8) In this section—

"ancillary services" means any of the services and activities listed in Part 3A of Schedule 2 to the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (S.I. 2001/544);

"financial instruments" means those instruments specified in Part 1 of Schedule 2 to the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001;

"investment services" means any of the services and activities listed in Part 3 of Schedule 2 to the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001, relating to any of the instruments listed in Part 1 of that Schedule;

"structured deposit" has the meaning given by Article 2.1.23 of the markets in financial instruments regulation.**]]**

Textual Amendments

F186 S. 39(1ZA) inserted (20.4.2015 for specified purposes, 21.12.2015 for specified purposes, 21.3.2016 in so far as not already in force) by The Mortgage Credit Directive Order 2015 (S.I. 2015/910), art. 1(5), **Sch. 1 para. 1(2)(a)** (with Pt. 4)

F187 Word in s. 39(1ZA) inserted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 2 para. 2(2)** (with reg. 7)

F188 S. 39(1A)(1B) inserted (1.4.2007 for certain purposes, otherwise 1.11.2007) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2007 (S.I. 2007/126), regs. 1(2), 3(5), **Sch. 5 para. 2(a)**

F189 Words in s. 39(1A) substituted (20.4.2015 for specified purposes, 21.12.2015 for specified purposes, 21.3.2016 in so far as not already in force) by The Mortgage Credit Directive Order 2015 (S.I. 2015/910), art. 1(5), **Sch. 1 para. 1(2)(b)** (with Pt. 4)

F190 Words in s. 39(1A)(a) substituted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 2 para. 2(3)** (with reg. 7)

F191 Words in s. 39(1A)(a) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **12(2)(a)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F192 Words in s. 39(1A)(a) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **12(2)(b)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

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F193 S. 39(1AA) inserted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 2 para. 2(4)** (with reg. 7)

F194 Words in s. 39(1A)(a) substituted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 2 para. 2(3)** (with reg. 7)

F195 Words in s. 39(1AA)(a) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **12(3)(a)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F196 Words in s. 39(1AA)(b) omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **12(3)(b)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F197 Words in s. 39(1B) inserted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 2 para. 2(5)(a)** (with reg. 7)

F198 Words in s. 39(1B) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **12(4)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F199 S. 39(1BA)(1BB) inserted (20.4.2015 for specified purposes, 21.12.2015 for specified purposes, 21.3.2016 in so far as not already in force) by The Mortgage Credit Directive Order 2015 (S.I. 2015/910), art. 1(5), **Sch. 1 para. 1(2)(c)** (with Pt. 4)

F200 Word in s. 39(1BA)(b) inserted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **12(5)(a)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F201 Word in s. 39(1BA)(b)(i) inserted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **12(5)(b)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F202 S. 39(1BA)(b)(ii) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **12(5)(c)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F203 S. 39(1C)-(1E) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 10(2)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F204 S. 39(2) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 10(3)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F205 S. 39(4) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 18 para. 5(3)** (with Sch. 20); S.I. 2013/113, art. 2(1)(b), Sch. Pt. 2; S.I. 2013/423, art. 3, Sch.

F206 Word in s. 39(4) omitted (30.1.2024 for specified purposes, 1.11.2024 in so far as not already in force) by virtue of The Securitisation Regulations 2024 (S.I. 2024/102), reg. 2(1)(e)(2), **Sch. 1 para. 2(a)** (with Sch. 3); as amended by S.I. 2024/705, regs. 1(2), 2(2)

F207 S. 39(4)(aa) inserted (30.1.2024 for specified purposes, 1.11.2024 in so far as not already in force) by The Securitisation Regulations 2024 (S.I. 2024/102), reg. 2(1)(e)(2), **Sch. 1 para. 2(b)** (with Sch. 3); as amended by S.I. 2024/705, regs. 1(2), 2(2)

F208 Words in s. 39(4) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **12(6)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F209 S. 39(7) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **12(7)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

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F210 S. 39(8) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **12(8)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

Modifications etc. (not altering text)

C129 S. 39 modified (26.7.2013 for specified purposes, 2.9.2013 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No.2) Order 2013 (S.I. 2013/1881), arts. 1(2)(5), **59(4)**

C130 S. 39 applied (with modifications) (20.4.2015 for specified purposes, 21.12.2015 for specified purposes, 21.3.2016 in so far as not already in force) by The Mortgage Credit Directive Order 2015 (S.I. 2015/910), arts. 1(5), **17** (with Pt. 4)

C131 S. 39 modified in part (E.W.S.) (29.11.2018 for specified purposes, 1.4.2019 in so far as not already in force) by The Financial Services and Markets Act 2000 (Claims Management Activity) Order 2018 (S.I. 2018/1253), arts. 1(2)(3), **83(3)**(6)

C132 S. 39(2) modified (31.10.2001) by S.I. 2001/3374, art. 1, **Sch. para. 7**

C133 S. 39(2) modified (31.10.2004) by The Financial Services and Markets Act 2000 (Transitional Provisions) (Mortgages) Order 2004 (S.I. 2004/2615), arts. 1(2)(b), 5, **Sch. para. 7**

C134 S. 39(2) modified (14.1.2005) by The Financial Services and Markets Act 2000 (Transitional Provisions) (General Insurance Intermediaries) Order 2004 (S.I. 2004/3351), arts. 1(2)(b), 5, **Sch. para. 7**

C135 S. 39(2) modified (6.4.2007) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2006 (S.I. 2006/1969), arts. 1(3), 7, **Sch. para. 7**

C136 S. 39(2) modified (30.6.2008 for certain purposes, otherwise 1.1.2009) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No. 2) Order 2007 (S.I. 2007/3510), arts. 1(2), **8(1)(4)**

Commencement Information

I4 S. 39 wholly in force at 1.12.2001; s. 39 not in force at Royal Assent see s. 431(2); s. 39(1) in force for certain purposes at 25.2.2001 by S.I. 2001/516, art. 2(b), **Sch. Pt. 2**; s. 39 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**

[F211 39A Certain tied agents operating outside United Kingdom

(1) This section applies to an authorised person whose relevant office is in the United Kingdom if—

(a) he is a party to a contract with a person (other than an authorised person) who is **[**F212 established in the United Kingdom; and**]**

(b) the contract is a relevant contract.

(2) A contract is a "relevant contract" if it satisfies conditions A to C.

(3) Condition A is that the contract permits or requires the person mentioned in subsection (1)(a) (the "agent") to carry on investment services business.

(4) Condition B is that **[**F213 the FCA is satisfied that no such business is, or is likely to be, carried on by the agent in the United Kingdom.**]**

(5) Condition C is that the business is of a description that, if carried on in the United Kingdom, would be prescribed for the purposes of section 39(1)(a)(i).

(6) An authorised person to whom this section applies who—

(a) enters into or continues to perform a relevant contract with an agent which does not comply with the applicable requirements,

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(b) enters into or continues to perform a relevant contract without accepting or having accepted responsibility in writing for the agent's activities in carrying on investment services business,

[F214(c) enters into a relevant contract with an agent who is not entered on—

(i) the record maintained by the FCA by virtue of section 347(1)(ha), or

F215(ii) . . . . . .**]**

(d) continues to perform a relevant contract with an agent when he knows or ought to know that the agent is not entered on that record F216... ,

is to be taken for the purposes of this Act to have contravened a requirement imposed on him by or under this Act.

(7) The "applicable requirements" are the requirements prescribed for the purposes of subsection (1)(a)(ii) of section 39 which have effect in the case of a person to whom subsection (1A) of that section applies.

[F217(8) Section 39(7) applies for the purposes of this section.**]**

(9) In this section—

F218...

"relevant office" means—

(a) in relation to a body corporate, its registered office or, if it has no registered office, its head office, and

(b) in relation to a person other than a body corporate, the person's head office.**]**

Textual Amendments

F211 S. 39A inserted (1.4.2007 for certain purposes, otherwise 1.11.2007) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2007 (S.I. 2007/126), regs. 1(2), 3(5), **Sch. 5 para. 3**

F212 Words in s. 39A(1)(a) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **13(2)**; 2020 c. 1, Sch. 5 para. 1(1)

F213 Words in s. 39A(4) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **13(3)** (with reg. 13(8)(10)) (as amended by S.I. 2020/1301, regs. 1, 3, **Sch. para. 33(b)**); 2020 c. 1, **Sch. 5 para. 1(1)**

F214 S. 39A(6)(c) substituted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 2 para. 3(2)(a)** (with reg. 7)

F215 S. 39A(6)(c)(ii) omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **13(4)** (with reg. 13(8)(10)) (as amended by S.I. 2020/1301, regs. 1, 3, **Sch. para. 33(b)**); 2020 c. 1, **Sch. 5 para. 1(1)**

F216 Words in s. 39A(6)(d) omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **13(5)** (with reg. 13(9)(10)) (as amended by S.I. 2020/1301, regs. 1, 3, **Sch. para. 33(b)**); 2020 c. 1, **Sch. 5 para. 1(1)**

F217 S. 39A(8) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **13(6)**; 2020 c. 1, Sch. 5 para. 1(1)

F218 Words in s. 39A(9) omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **13(7)** (with reg. 13(8)(10)) (as amended by S.I. 2020/1301, regs. 1, 3, **Sch. para. 33(b)**); 2020 c. 1, **Sch. 5 para. 1(1)**

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[F219]PART IV

PERMISSION TO CARRY ON REGULATED ACTIVITIES

Textual Amendments

F219 Pt. 4A substituted for ss. 40-55 (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), **ss. 11(2)**, 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(b)(c), Sch. Pts. 2, 3; S.I. 2013/423, art. 3, Sch.

Application for permission

40 Application for permission.

. . . . . .

41 The threshold conditions.

. . . . . .

Permission

42 Giving permission.

. . . . . .

43 Imposition of requirements.

. . . . . .

Variation and cancellation of Part IV permission

44 Variation etc. at request of authorised person.

. . . . . .

45 Variation etc. on the Authority's own initiative.

. . . . . .

46 Variation of permission on acquisition of control.

. . . . . .

47 Exercise of power in support of overseas regulator.

. . . . . .

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

48 Prohibitions and restrictions.

. . . . . .

Connected persons

49 Persons connected with an applicant.

. . . . . .

Additional permissions

50 Authority's duty to consider other permissions etc.

. . . . . .

Procedure

51 Applications under this Part.

. . . . . .

52 Determination of applications.

. . . . . .

53 Exercise of own-initiative power: procedure.

. . . . . .

54 Cancellation of Part IV permission: procedure.

. . . . . .

Notification

54A. Notification of ESMA

. . . . . .

54B. Notification of EBA

. . . . . .

References to the Tribunal

55 Right to refer matters to the Tribunal.

. . . . . .

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

[F219PART 4A

PERMISSION TO CARRY ON REGULATED ACTIVITIES

Modifications etc. (not altering text)

C137 Pt. 4A excluded by S.I. 1998/1870, reg. 14(2)(c) (as substituted (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 22(5)(b)**)

C138 Pt. 4A modified (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No.2) Order 2013 (S.I. 2013/1881), arts. 1(2)(6), **31(6)**

C139 Pt. 4A modified (7.11.2018) by The EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018 (S.I. 2018/1149), regs. 1(2), 5-7 (with regs. 4, 8-19) (as amended (31.1.2020 immediately before exit day) by The Financial Services (Consequential Amendments) Regulations 2020 (S.I. 2020/56), regs. 1, 6(2))

C140 Pt. 4A modified by S.I. 2018/1149, reg. 43 (as inserted (1.3.2019) by The Financial Services Contracts (Transitional and Saving Provision) (EU Exit) Regulations 2019 (S.I. 2019/405), regs. 1(2), **2**)

Application for permission

55A Application for permission

(1) An application for permission to carry on one or more regulated activities may be made to the appropriate regulator by—

(a) an individual,

(b) a body corporate,

(c) a partnership, or

(d) an unincorporated association.

(2) "The appropriate regulator", in relation to an application under this section, means **[**[F221](subject to subsection (2B))**]**—

(a) the PRA, in a case where—

(i) the regulated activities to which the application relates consist of or include a PRA-regulated activity, or

(ii) the applicant is a PRA-authorised person otherwise than by virtue of a Part 4A permission;

(b) the FCA, in any other case.

[[F222](2A) An application under this section for permission to carry on the regulated activity specified in article 63S of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 may not include an application for permission to carry on any other regulated activity.

(2B) The appropriate regulator, in relation to an application under this section for permission to carry on the regulated activity specified in article 63S of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001, is the FCA.**]**

(3) An authorised person who has a permission under this Part which is in force may not apply for permission under this section.

[F223](4) . . . . . .

Status: *This version of this Act contains provisions that are prospective.*
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(5) A permission given by the appropriate regulator under this Part or having effect as if so given is referred to in this Act as "a Part 4A permission".

F224 **[** References in this section to permission under this Part do not include references to (6) permission under section 55NA.**]**

Textual Amendments

F221 Words in s. 55A(2) inserted (27.2.2018) by The Financial Services and Markets Act 2000 (Benchmarks) Regulations 2018 (S.I. 2018/135), regs. 1(2), **40(2)(a)**

F222 S. 55A(2A)(2B) inserted (27.2.2018) by The Financial Services and Markets Act 2000 (Benchmarks) Regulations 2018 (S.I. 2018/135), regs. 1(2), **40(2)(b)**

F223 S. 55A(4) omitted (31.12.2020) by virtue of The EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018 (S.I. 2018/1149), reg. 1(3), **Sch. para. 5** (with reg. 4); 2020 c. 1, Sch. 5 para. 1(1)

F224 S. 55A(6) inserted (6.9.2023 for specified purposes, 6.11.2023 for specified purposes, 7.2.2024 in so far as not already in force) by Financial Services and Markets Act 2023 (c. 29), s. 86(3), **Sch. 5 para. 4** (with s. 20(5)); S.I. 2023/936, reg. 2(1)(a)(b)(2)(b)(ii)(3)(4)

Modifications etc. (not altering text)

C141 S. 55A(3) excluded by S.I. 2011/2832, art. 5(3) (as amended) (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 220(a)(iii)**

C142 S. 55A(3) modified (2.4.2013) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2013 (S.I. 2013/655), arts. 1, **10(5)(b)**

C143 S. 55A(3) modified (26.7.2013 for specified purposes, 2.9.2013 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No.2) Order 2013 (S.I. 2013/1881), arts. 1(2)(5), **59(2)(b)**

C144 S. 55A(3) modified (1.4.2015) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2015 (S.I. 2015/369), arts. 1, **7(6)(b)**

C145 S. 55A(3) modified (E.W.S.) (29.11.2018 for specified purposes, 1.4.2019 in so far as not already in force) by The Financial Services and Markets Act 2000 (Claims Management Activity) Order 2018 (S.I. 2018/1253), arts. 1(2)(3), **83(3)**

55B The threshold conditions

(1) "The threshold conditions", in relation to a regulated activity, means the conditions set out in or specified under Schedule 6, as read with any threshold condition code made by either regulator under section 137O.

(2) Any reference in this Part to the threshold conditions for which either regulator is responsible is to be read as a reference to the conditions set out in or specified under Schedule 6 that are expressed to be relevant to the discharge by that regulator of its functions, as read with any threshold condition code made by that regulator under section 137O.

(3) In giving or varying permission, imposing or varying a requirement, or giving consent, under any provision of this Part, each regulator must ensure that the person concerned will satisfy, and continue to satisfy, in relation to all of the regulated activities for which the person has or will have permission, the threshold conditions for which that regulator is responsible.

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(4) But the duty imposed by subsection (3) does not prevent a regulator, having due regard to that duty, from taking such steps as it considers are necessary, in relation to a particular person, in order to advance—

(a) in the case of the FCA, any of its operational objectives;

(b) in the case of the PRA, any of its objectives.

[F225(5) The duty imposed by subsection (3) does not apply in relation to the regulated activity specified in article 63S of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (administering a benchmark).**]**

Textual Amendments

F225 S. 55B(5) inserted (27.2.2018) by The Financial Services and Markets Act 2000 (Benchmarks) Regulations 2018 (S.I. 2018/135), regs. 1(2), **40(3)**

Modifications etc. (not altering text)

C146 S. 55B(3) modified (26.7.2013 for specified purposes, 2.9.2013 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No.2) Order 2013 (S.I. 2013/1881), arts. 1(2)(5), **59(6)**

C147 S. 55B(3) excluded (15.7.2025 for specified purposes) by The Financial Services and Markets Act 2000 (Regulated Activities etc.) (Amendment) Order 2025 (S.I. 2025/859), arts. 1(2)(3), **11(6)**

55C Power to amend Schedule 6

(1) The Treasury may by order amend Parts 1 and 2 of Schedule 6 by altering, adding or repealing provisions, or by substituting for those Parts as they have effect for the time being provisions specified in the order.

(2) Different provision may be made under this section—

(a) in relation to the discharge of the functions of each regulator;

(b) in relation to different regulated activities;

(c) in relation to persons who carry on, or seek to carry on, activities that consist of or include a PRA-regulated activity and in relation to other persons.

55D Firms based outside [F226the United Kingdom]

(1) This section applies in relation to a person ("the **[**F227non-UK**]** firm")—

(a) who is a body incorporated in, or formed under the law of, or is an individual who is a national of, any country or territory outside the **[**F228United Kingdom**]**, and

(b) who is carrying on a regulated activity in any country or territory outside the United Kingdom in accordance with the law of that country or territory ("the overseas state").

(2) In determining whether the **[**F227non-UK**]** firm is satisfying or will satisfy, and continue to satisfy, any one or more of the threshold conditions for which a UK regulator is responsible, the UK regulator may have regard to any opinion notified to it by a regulatory authority in the overseas state ("the overseas regulator") which relates to the **[**F227non-UK**]** firm and appears to the UK regulator to be relevant to compliance with those conditions.

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(3) In considering how much weight (if any) to attach to the opinion, the UK regulator must have regard to the nature and scope of the supervision exercised in relation to the **[**F227non-UK**]** firm by the overseas regulator.

(4) In this section "UK regulator" means the FCA or the PRA.

Textual Amendments

F226 Words in s. 55D heading substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **15(2)**; 2020 c. 1, Sch. 5 para. 1(1)

F227 Word in s. 55D substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **15(3)**; 2020 c. 1, Sch. 5 para. 1(1)

F228 Words in s. 55D(1)(a) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **15(4)**; 2020 c. 1, Sch. 5 para. 1(1)

55E Giving permission: the FCA

(1) This section applies where the FCA is the appropriate regulator in relation to an application for permission under section 55A.

(2) The FCA may give permission for the applicant to carry on the regulated activity or activities to which the application relates or such of them as may be specified in the permission.

(3) If the applicant is a member of a group which includes a PRA-authorised person, the FCA must consult the PRA before determining the application.

[F229(3A) The FCA must consult the PRA before determining an application for permission to carry on the regulated activity specified in article 63S of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (administering a benchmark) made by a person who is a PRA-authorised person otherwise than by virtue of a Part 4A permission.**]**

(4) If it gives permission, the FCA must specify the permitted regulated activity or activities, described in such manner as the FCA considers appropriate.

(5) The FCA may—

(a) incorporate in the description of a regulated activity such limitations (for example as to circumstances in which the activity may, or may not, be carried on) as it considers appropriate;

(b) specify a narrower or wider description of regulated activity than that to which the application relates;

(c) give permission for the carrying on of a regulated activity which is not included among those to which the application relates and is not a PRA-regulated activity.

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Textual Amendments

F229 S. 55E(3A) inserted (27.2.2018) by The Financial Services and Markets Act 2000 (Benchmarks) Regulations 2018 (S.I. 2018/135), regs. 1(2), **40(4)**

Modifications etc. (not altering text)

C148 S. 55E modified (2.4.2013) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2013 (S.I. 2013/655), arts. 1, **10(5)(c)**

C149 Ss. 55E, 55F modified (26.7.2013 for specified purposes, 2.9.2013 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No.2) Order 2013 (S.I. 2013/1881), arts. 1(2)(5), **59(2)(c)**

C150 S. 55E modified (1.4.2015) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2015 (S.I. 2015/369), arts. 1, **7(6)(c)**

55F Giving permission: the PRA

(1) This section applies where the PRA is the appropriate regulator in relation to an application for permission under section 55A.

(2) The PRA may with the consent of the FCA give permission for the applicant to carry on the regulated activity or activities to which the application relates or such of them as may be specified in the permission.

(3) If it gives permission, the PRA must specify the permitted regulated activity or activities, described in such manner as the PRA considers appropriate.

(4) The PRA may—

(a) incorporate in the description of a regulated activity such limitations (for example as to circumstances in which the activity may, or may not, be carried on) as it considers appropriate;

(b) specify a narrower or wider description of regulated activity than that to which the application relates;

(c) give permission for the carrying on of a regulated activity which is not included among those to which the application relates.

(5) Consent given by the FCA for the purposes of this section may be conditional on the manner in which the PRA exercises its powers under subsections (3) and (4).

(6) Subsections (3) and (4)(b) and (c) do not enable the PRA to give permission that relates only to activities that are not PRA-regulated activities, except where the applicant is a PRA-authorised person otherwise than by virtue of a Part 4A permission.

Modifications etc. (not altering text)

C149 Ss. 55E, 55F modified (26.7.2013 for specified purposes, 2.9.2013 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No.2) Order 2013 (S.I. 2013/1881), arts. 1(2)(5), **59(2)(c)**

C151 S. 55F modified (2.4.2013) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2013 (S.I. 2013/655), arts. 1, **10(5)(d)**

C152 S. 55F modified (1.4.2015) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2015 (S.I. 2015/369), arts. 1, **7(6)(d)**

Status: *This version of this Act contains provisions that are prospective.*
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55G Giving permission: special cases

(1) "The applicant" means an applicant for permission under section 55A.

(2) If the applicant—

(a) in relation to a particular regulated activity, is exempt from the general prohibition as a result of section 39(1) or an order made under section 38(1), but

(b) has applied for permission in relation to another regulated activity,

the application is to be treated as relating to all the regulated activities which, if permission is given, the applicant will carry on.

(3) If the applicant—

(a) in relation to a particular regulated activity, is exempt from the general prohibition as a result of [F230[F231... section 285], but

(b) has applied for permission in relation to another regulated activity,

the application is to be treated as relating only to that other regulated activity.

(4) If the applicant—

(a) is a person to whom, in relation to a particular regulated activity, the general prohibition does not apply as a result of Part 19, but

(b) has applied for permission in relation to another regulated activity,

the application is to be treated as relating only to that other regulated activity.

(5) Subsection (6) applies where either regulator ("the responsible regulator") receives an application for permission under section 55A which is in the regulator's opinion similar to an application which was previously made to the other regulator and was either—

(a) treated by the other regulator as not being a valid application to that regulator because of the regulated activities to which it related, or

(b) refused by the other regulator after being considered.

(6) The responsible regulator must have regard to the desirability of minimising—

(a) the additional work for the applicant in dealing with the new application, and

(b) the time taken to deal with the new application.

Textual Amendments

F230 Words in s. 55G(3)(a) omitted (28.11.2017) by virtue of The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **2(3)** (with regs. 7(4), 9(1))

F231 Words in s. 55G(3)(a) substituted (1.4.2013) by The Financial Services and Markets Act 2000 (Over the Counter Derivatives, Central Counterparties and Trade Repositories) Regulations 2013 (S.I. 2013/504), regs. 1(2), **3(2)** (with regs. 52-58)

Variation and cancellation of Part 4A permission

55H Variation by FCA at request of authorised person

F232(1) . . . . . .

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

(2) The FCA may, on the application of **[**F233an authorised person who has a Part 4A permission but is not a PRA-authorised person**]**, vary the permission by—

(a) adding a regulated activity, other than a PRA-regulated activity, to those to which the permission relates;

(b) removing a regulated activity from those to which the permission relates;

(c) varying the description of a regulated activity to which the permission relates.

(3) The FCA may, on the application of **[**F234an authorised person who has a Part 4A permission but is not a PRA-authorised person**]**, cancel the permission.

[F235(3A) The FCA may, on the application of a PRA-authorised person with a Part 4A permission, vary the permission by—

(a) adding to the regulated activities to which the permission relates the regulated activity specified in article 63S of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (administering a benchmark),

(b) removing that regulated activity from those to which the permission relates, or

(c) varying the description of that regulated activity.

(3B) The FCA must consult the PRA before exercising its power under subsection (3A).**]**

(4) The FCA may refuse an application under this section if it appears to it that it is desirable to do so in order to advance any of its operational objectives **[**F236, or the purpose for which the FCA must exercise its functions under Part 8B (see section 131U(1))**]**.

[F237(4A) The FCA may also refuse an application under this section if it appears to the FCA that the authorised person would not comply with requirements in Part 5 of the Alternative Investment Fund Managers Regulations 2013 (AIFs which acquire control of non-listed companies and issuers) that would apply to the authorised person.**]**

(5) If **[**F238on an application under subsection (2) or (3)**]** the applicant is a member of a group which includes a PRA-authorised person, the FCA must consult the PRA before determining the application.

(6) If as a result of a variation of a Part 4A permission under this section there are no longer any regulated activities for which the authorised person concerned has permission, the FCA must, once it is satisfied that it is no longer necessary to keep the permission in force, cancel it.

(7) The FCA's power to vary a Part 4A permission under this section extends to including in the permission as varied any provision that could be included if a fresh permission were being given by it in response to an application under section 55A.

Textual Amendments

F232 S. 55H(1) omitted (27.2.2018) by virtue of The Financial Services and Markets Act 2000 (Benchmarks) Regulations 2018 (S.I. 2018/135), regs. 1(2), **40(5)(a)**

F233 Words in s. 55H(2) substituted (27.2.2018) by The Financial Services and Markets Act 2000 (Benchmarks) Regulations 2018 (S.I. 2018/135), regs. 1(2), **40(5)(b)**

F234 Words in s. 55H(3) substituted (27.2.2018) by The Financial Services and Markets Act 2000 (Benchmarks) Regulations 2018 (S.I. 2018/135), regs. 1(2), **40(5)(b)**

F235 S. 55H(3A)(3B) inserted (27.2.2018) by The Financial Services and Markets Act 2000 (Benchmarks) Regulations 2018 (S.I. 2018/135), regs. 1(2), **40(5)(c)**

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F236 Words in s. 55H(4) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), s. 86(2)(c), **Sch. 8 para. 4**

F237 S. 55H(4A) inserted (22.7.2013) by The Alternative Investment Fund Managers Regulations 2013 (S.I. 2013/1773), reg. 1, **Sch. 1 para. 4**

F238 Words in s. 55H(5) inserted (27.2.2018) by The Financial Services and Markets Act 2000 (Benchmarks) Regulations 2018 (S.I. 2018/135), regs. 1(2), **40(5)(d)**

55I Variation by PRA at request of authorised person

(1) On the application of a PRA-authorised person with a Part 4A permission, the PRA may with the consent of the FCA vary the permission by—

(a) adding a regulated activity to those to which the permission relates;

(b) removing a regulated activity from those to which the permission relates;

(c) varying the description of a regulated activity to which the permission relates

[[F239]but the PRA may not under this subsection add, remove or vary the description of the regulated activity specified in article 63S of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (administering a benchmark).**]**

(2) On the application of a PRA-authorised person with a Part 4A permission, the PRA may, after consulting the FCA, cancel the permission **[**[F240], but the PRA may not under this subsection cancel a permission where the only regulated activity to which the permission relates is the regulated activity in article 63S of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (administering a benchmark)**]**.

(3) On the application of an authorised person other than a PRA-authorised person, the PRA may with the consent of the FCA vary the permission by adding to the regulated activities to which the permission relates one or more regulated activities which include a PRA-regulated activity **[**[F241], but the PRA may not under this subsection add the regulated activity specified in article 63S of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (administering a benchmark)**]**.

(4) The PRA may refuse an application under this section if it appears to it that it is desirable to do so in order to advance any of its objectives.

(5) The FCA may withhold its consent to a proposed variation under this section if it appears to it that it is desirable to do so in order to advance one or more of its operational objectives.

(6) If as a result of a variation of a Part 4A permission under this section there are no longer any regulated activities for which the authorised person concerned has permission, the PRA must, once it is satisfied after consulting the FCA that it is no longer necessary to keep the permission in force, cancel it.

(7) The PRA's power to vary a Part 4A permission under this section extends to including in the permission as varied any provision that could be included if a fresh permission were being given by it in response to an application under section 55A.

(8) Consent given by the FCA for the purposes of subsection (1) may be conditional on the manner in which the PRA exercises its powers under section 55F(3) and (4) (as a result of subsection (7)).

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Textual Amendments

F239 Words in s. 55I(1) inserted (27.2.2018) by The Financial Services and Markets Act 2000 (Benchmarks) Regulations 2018 (S.I. 2018/135), regs. 1(2), **40(6)(a)**

F240 Words in s. 55I(2) inserted (27.2.2018) by The Financial Services and Markets Act 2000 (Benchmarks) Regulations 2018 (S.I. 2018/135), regs. 1(2), **40(6)(b)**

F241 Words in s. 55I(3) inserted (27.2.2018) by The Financial Services and Markets Act 2000 (Benchmarks) Regulations 2018 (S.I. 2018/135), regs. 1(2), **40(6)(c)**

55J Variation or cancellation on initiative of regulator

(1) Either regulator may exercise its power under this section in relation to an authorised person with a Part 4A permission ("A") if it appears to the regulator that—

(a) A is failing, or is likely to fail, to satisfy the threshold conditions for which the regulator is responsible,

(b) A has failed, during a period of at least 12 months, to carry on a regulated activity to which the Part 4A permission relates, **F242**...

(c) it is desirable to exercise the power in order to advance—

(i) in the case of the FCA, one or more of its operational objectives,

(ii) in the case of the PRA, any of its objectives **[F243**, or

(d) in the case of the FCA, A has failed to comply with a requirement in Part 5 of the Alternative Investment Fund Managers Regulations 2013 (AIFs which acquire control of non-listed companies and issuers), or it is for some other reason desirable to exercise the power for the purposes of ensuring compliance with such a requirement**]**.

(2) The FCA's power under this section is the power—

(a) to vary the Part 4A permission by—

(i) adding a regulated activity other than a PRA-regulated activity to those to which the permission relates,

(ii) removing a regulated activity from those to which the permission relates, or

(iii) varying the description of a regulated activity to which the permission relates in a way which, if it is a PRA-regulated activity, does not, in the opinion of the FCA, widen the description, or

(b) to cancel the Part 4A permission.

(3) The PRA's power under this section is the power—

(a) in the case of a PRA-authorised person, to vary the Part 4A permission in any of the ways mentioned in section 55I(1) or to cancel it;

(b) in the case of an authorised person who is not a PRA-authorised person, to vary the Part 4A permission by adding a PRA-regulated activity to those to which the permission relates and, if the PRA does so, to vary the Part 4A permission in any of the other ways mentioned in section 55I(1).

(4) The FCA—

(a) must consult the PRA before exercising its power under this section in relation to—

(i) a PRA-authorised person, or

(ii) a member of a group which includes a PRA-authorised person, and

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(b) in the case of a PRA-authorised person, may exercise the power so as to add a new activity to those to which the permission relates or to widen the description of a regulated activity to which the permission relates, only with the consent of the PRA

[[F244], but paragraph (b) does not apply in relation to the regulated activity specified in article 63S of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (administering a benchmark).**]**

(5) The PRA—

(a) must consult the FCA before exercising its power under this section, and

(b) may exercise the power so as to add a new activity to those to which the permission relates or to widen the description of a regulated activity to which the permission relates, only with the consent of the FCA.

(6) Without prejudice to the generality of subsections (1) to (3), a regulator may, in relation to an authorised person who is an investment firm, exercise its power under this section to cancel the Part 4A permission if it appears to it that any of the conditions in section 55K is met.

[[F245](6A) Without prejudice to the generality of subsections (1) to (3), the FCA may, in relation to an authorised person who is a full-scope UKAIFM, exercise its power under this section to cancel the Part 4A permission if it appears to it that any of the following conditions is met—

(a) the person has failed, during a period of at least six months, to carry on the regulated activity of managing an AIF;

(b) the person obtained the Part 4A permission to carry on the regulated activity of managing an AIF by making a false statement or by any other irregular means;

(c) in a case where the Part 4A permission includes permission to **[**[F246]carry on the management of portfolios of investments in accordance with mandates given by investors on a discretionary, and client-by-client, basis**]**, the person no longer complies with **[**[F247]Part 9C rules**]**;

(d) the person no longer meets the conditions that a person must meet in order to obtain a Part 4A permission to carry on the regulated activity of managing an AIF;

(e) the person has seriously or systematically infringed—

[[F248](i) an AIFMD requirement;**]**

[F249](ii) . . . . . .

[F249](iii) . . . . . .

[F250](iv) . . . . . or

[[F251](v) an MMF requirement.**]]**

[[F252](6AA) For the purposes of subsection (6A)(e)—

(a) an AIFMD requirement is a provision of—

(i) the Alternative Investment Fund Managers Regulations 2013,

(ii) any EU regulation, originally made under the alternative investment fund managers directive, which is **[**[F253]assimilated direct**]** legislation,

(iii) any provision made by or under this Act that immediately before IP completion day implemented provisions of the alternative investment fund managers directive (as that implementing provision is amended from time to time), or

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(iv) any subordinate legislation (within the meaning of the Interpretation Act 1978) which is made under a power substituted for a power of an EU entity to make a directly applicable regulation under the alternative investment fund managers directive by regulations made under section 8 of the European Union (Withdrawal) Act 2018;

F254(b) . . . . . .

(c) an MMF requirement is a provision of—

(i) the MMF Regulation,

(ii) any EU regulation, originally made under the MMF Regulation, which is **[**F255assimilated direct**]** legislation, or

(iii) any subordinate legislation (within the meaning of the Interpretation Act 1978) made under the MMF Regulation on or after IP completion day.**]**

F256**[** Without prejudice to the generality of subsections (1) to (3), the FCA may, in relation (6B) to an authorised person who is a mortgage intermediary and who has a Part 4A permission to carry on a relevant mortgage activity, exercise its power under this section to cancel the Part 4A permission or to vary the Part 4A permission by removing a relevant mortgage activity from the activities to which the permission relates, if it appears to the FCA that any of the following conditions is met—

(a) during a period of at least six months, the person has not carried on a relevant mortgage activity;

(b) the person obtained the Part 4A permission to carry on a relevant mortgage activity by making a false statement or by any other irregular means;

(c) the person no longer meets the conditions which the person was F257... required to meet in order to be granted a Part 4A permission to carry on a relevant mortgage activity; or

(d) the person has seriously or systematically infringed any provision made by or under this Act which **[**F258sets**]** the operating conditions for mortgage intermediaries F259....

(6C) In subsection (6B) "relevant mortgage activity" means—

(a) an activity of a kind specified in article 25A (arranging regulated mortgage contracts), article 53A (advising on regulated mortgage contracts) or article 53DA (advising on regulated credit agreements the purpose of which is to acquire land) of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001, or

(b) an activity of a kind specified in article 36A of that Order (credit broking) which is referred to in Article 33(1)(a) of the mortgages directive.**]**

F260(7) . . . . . .

F261**[** Without prejudice to the generality of subsections (1) and (2), if it appears to the (7ZA) FCA that there has been a serious failure, by a person with permission to carry on the regulated activity specified in article 51ZA of the Financial Services and Markets Act (Regulated Activities) Order 2001 (managing a **[**F262UK**]** UCITS), to comply with the requirements imposed—

(a) by or under this Act in pursuance of the UCITS Directive, F263...

(b) by the Undertakings for Collective Investment in Transferable Securities Regulations 2011, **[**F264or**]**

[F265(c) an MMF requirement,**]**

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the FCA may exercise its powers under this section to vary the Part 4A permission of the person concerned by removing that activity from those to which the permission relates, or to cancel the person's Part 4A permission.**]**

(7ZB) Without prejudice to the generality of subsections (1) and (2), the FCA may, in relation to an authorised person who is an investment firm, exercise its power under this section if it appears to it that the authorised person has failed to comply with a requirement **[**[F266]imposed by—

(a) the market abuse regulation,

(b) any EU regulation, originally made under the market abuse regulation, which is **[**[F267]assimilated direct**]** legislation, or

(c) any subordinate legislation (within the meaning of the Interpretation Act 1978) made under the market abuse regulation on or after IP completion day.**]**

[[F268](7ZC) Without prejudice to the generality of subsections (1) and (2), if it appears to the FCA, in relation to a person who has a permission to carry on the regulated activity specified in article 63S of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (administering a benchmark), that the conditions in Article 35(1) of the EU Benchmarks Regulation 2016 are met, the FCA may exercise its powers under this section—

(a) to vary the Part 4A permission by removing that activity from those to which the permission relates, or

(b) to cancel the Part 4A permission.**]**

[F269](7A) . . . . . .

[F269](7B) . . . . . .

[F269](7C) . . . . . .

(8) If, as a result of a variation of a Part 4A permission under this section, there are no longer any regulated activities for which the authorised person concerned has permission, the regulator responsible for the variation must, once it is satisfied that it is no longer necessary to keep the permission in force, cancel it.

(9) Before cancelling under subsection (8) a Part 4A permission which relates to a person who (before the variation) was a PRA-authorised person, the regulator must consult the other regulator.

(10) The power of either regulator to vary a Part 4A permission under this section extends to including in the permission as varied any provision that could be included if a fresh permission were being given in response to an application to that regulator under section 55A.

(11) Consent given by one regulator for the purpose of subsection (4)(b) or (5)(b) may be conditional on the manner in which the other regulator exercises its powers under section 55E(4) and (5) or 55F(3) and (4) (as a result of subsection (10)).

(12) The power of the FCA or the PRA under this section is referred to in this Part as its own-initiative variation power.

[In this section "enactment" has the meaning given by section 3T.**]**

[F270](13)

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Textual Amendments

F242 Word in s. 55J(1) omitted (22.7.2013) by virtue of The Alternative Investment Fund Managers Regulations 2013 (S.I. 2013/1773), reg. 1, **Sch. 1 para. 5(a)(i)**

F243 S. 55J(1)(d) and word inserted (22.7.2013) by The Alternative Investment Fund Managers Regulations 2013 (S.I. 2013/1773), reg. 1, **Sch. 1 para. 5(a)(ii)**

F244 Words in s. 55J(4) inserted (27.2.2018) by The Financial Services and Markets Act 2000 (Benchmarks) Regulations 2018 (S.I. 2018/135), regs. 1(2), **40(7)(a)**

F245 S. 55J(6A) inserted (22.7.2013) by The Alternative Investment Fund Managers Regulations 2013 (S.I. 2013/1773), reg. 1, **Sch. 1 para. 5(b)**

F246 Words in s. 55J(6A)(c) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **16(2)(a)(i)**; 2020 c. 1, Sch. 5 para. 1(1)

F247 Words in s. 55J(6A)(c) substituted (1.1.2022) by The Financial Services Act 2021 (Prudential Regulation of Credit Institutions and Investment Firms) (Consequential Amendments and Miscellaneous Provisions) Regulations 2021 (S.I. 2021/1376), regs. 1(3), **4(3)**

F248 S. 55J(6A)(e)(i) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **16(2)(b)(i)**; 2020 c. 1, Sch. 5 para. 1(1)

F249 S. 55J(6A)(e)(ii)(iii) omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **16(2)(b)(ii)**; 2020 c. 1, Sch. 5 para. 1(1)

F250 S. 55J(6A)(e)(iv) omitted (1.1.2024) by virtue of The Financial Services and Markets Act 2023 (Consequential Amendments) Regulations 2023 (S.I. 2023/1410), regs. 1(2), **2(2)(a)**

F251 S. 55J(6A)(e)(v) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **16(2)(b)(iv)**; 2020 c. 1, Sch. 5 para. 1(1)

F252 S. 55J(6AA) inserted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **16(3)** (as amended by S.I. 2020/1301, regs. 1, 3, **Sch. para. 33(c)(ii)**); 2020 c. 1, **Sch. 5 para. 1(1)** Edit

F253 Words in s. 55J(6AA)(a)(ii) substituted (1.1.2024) by The Retained EU Law (Revocation and Reform) Act 2023 (Consequential Amendment) Regulations 2023 (S.I. 2023/1424), reg. 1(2), **Sch. para. 44(4)(a)**

F254 S. 55J(6AA)(b) omitted (1.1.2024) by virtue of The Financial Services and Markets Act 2023 (Consequential Amendments) Regulations 2023 (S.I. 2023/1410), regs. 1(2), **2(2)(b)**

F255 Words in s. 55J(6AA)(c)(ii) substituted (1.1.2024) by The Retained EU Law (Revocation and Reform) Act 2023 (Consequential Amendment) Regulations 2023 (S.I. 2023/1424), reg. 1(2), **Sch. para. 44(4)(a)**

F256 S. 55J(6B)(6C) inserted (20.4.2015 for specified purposes, 21.12.2015 for specified purposes, 21.3.2016 in so far as not already in force) by The Mortgage Credit Directive Order 2015 (S.I. 2015/910), art. 1(5), **Sch. 1 para. 1(3)** (with Pt. 4)

F257 Words in s. 55J(6B)(c) omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **16(4)(a)**; 2020 c. 1, Sch. 5 para. 1(1)

F258 Word in s. 55J(6B)(d) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **16(4)(b)(i)**; 2020 c. 1, Sch. 5 para. 1(1)

F259 Words in s. 55J(6B)(d) omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **16(4)(b)(ii)**; 2020 c. 1, Sch. 5 para. 1(1)

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F260 S. 55J(7) omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **16(5)**; 2020 c. 1, Sch. 5 para. 1(1)

F261 S. 55J(7ZA) inserted (18.3.2016) by The Undertakings for Collective Investment in Transferable Securities Regulations 2016 (S.I. 2016/225), regs. 1, **2(2)**

F262 Word in s. 55J(7ZA) inserted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **16(6)(a)**; 2020 c. 1, Sch. 5 para. 1(1)

F263 Word in s. 55J(7ZA)(a) omitted (28.6.2018 for specified purposes, 21.7.2018 in so far as not already in force) by virtue of The Money Market Funds Regulations 2018 (S.I. 2018/698), regs. 1(2), **2(2)(b)(i)**

F264 Word in s. 55J(7ZA)(b) inserted (28.6.2018 for specified purposes, 21.7.2018 in so far as not already in force) by The Money Market Funds Regulations 2018 (S.I. 2018/698), regs. 1(2), **2(2)(b)(ii)**

F265 S. 55J(7ZA)(c) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **16(6)(b)**; 2020 c. 1, Sch. 5 para. 1(1)

F266 Words in s. 55J(7ZB) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **16(7)** (as amended by S.I. 2020/1301, regs. 1, 3, **Sch. para. 33(c)(iii)**); 2020 c. 1, **Sch. 5 para. 1(1)**

F267 Words in s. 55J(7ZB)(b) substituted (1.1.2024) by The Retained EU Law (Revocation and Reform) Act 2023 (Consequential Amendment) Regulations 2023 (S.I. 2023/1424), reg. 1(2), **Sch. para. 44(4)(a)**

F268 S. 55J(7ZC) inserted (27.2.2018) by The Financial Services and Markets Act 2000 (Benchmarks) Regulations 2018 (S.I. 2018/135), regs. 1(2), **40(7)(b)**

F269 S. 55J(7A)-(7C) repealed (14.5.2025) by Financial Services and Markets Act 2023 (c. 29), s. 86(3), **Sch. 1 Pt. 4** (with ss. 1(4), 7(4)); S.I. 2025/572, reg. 2(c)(i)

F270 S. 55J(13) inserted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **16(8)**; 2020 c. 1, Sch. 5 para. 1(1)

Modifications etc. (not altering text)

C153 S. 55J(1) modified by S.I. 1995/1442, reg. 49(2) (as substituted (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 12(c)(i)**)

C154 S. 55J(1)(b) modified (1.4.2013) by The Financial Services Act 2012 (Transitional Provisions) (Permission and Approval) Order 2013 (S.I. 2013/440), arts. 1(1), **8(1)**

[F271 55JA Variation or cancellation on initiative of FCA: additional power

(1) Schedule 6A confers an additional power on the FCA to vary or cancel an FCA-authorised person's Part 4A permission.

(2) In this section and that Schedule "FCA-authorised person" means an authorised person who is not a PRA-authorised person.**]**

Textual Amendments

F271 S. 55JA inserted (1.7.2021) by Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 11 para. 2**; S.I. 2021/739, reg. 3(p)

55K Investment firms: particular conditions that enable cancellation

(1) The conditions referred to in section 55J(6) are as follows—

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(a) that the firm has failed, during a period of at least 6 months, to carry on a regulated activity which is an investment service or activity for which it has a Part 4A permission;

(b) that the firm obtained the Part 4A permission by making a false statement or by other irregular means;

(c) that the firm no longer satisfies the requirements for authorisation F272... in relation to a regulated activity which is an investment service or activity for which it has a Part 4A permission;

(d) that the firm has seriously and systematically infringed **[**F273any **[**F274assimilated direct**]** legislation, or any provision made by or under this Act, which sets the operating conditions**]** in relation to a regulated activity which is an investment service or activity for which it has a Part 4A permission;

[F275(e) that the firm has seriously or systematically infringed the markets in financial instruments regulation.**]**

(2) For the purposes of this section a regulated activity is an investment service or activity if it falls within the definition of "investment services and activities" in section 417(1).

Textual Amendments

F272 Words in s. 55K(1)(c) omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **17(a)**; 2020 c. 1, Sch. 5 para. 1(1)

F273 Words in s. 55K(1)(d) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **17(b)**; 2020 c. 1, Sch. 5 para. 1(1)

F274 Words in s. 55K(1)(d) substituted (1.1.2024) by The Retained EU Law (Revocation and Reform) Act 2023 (Consequential Amendment) Regulations 2023 (S.I. 2023/1424), reg. 1(2), **Sch. para. 44(4)(b)**

F275 S. 55K(1)(e) inserted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 2 para. 4** (with reg. 7)

Modifications etc. (not altering text)

C155 S. 55K(1)(a) modified (1.4.2013) by The Financial Services Act 2012 (Transitional Provisions) (Permission and Approval) Order 2013 (S.I. 2013/440), arts. 1(1), **8(2)**

F276 55KA Insurance undertakings, reinsurance undertakings and third-country insurance undertakings: particular conditions that enable cancellation

. . . . . .

Textual Amendments

F276 S. 55KA repealed (14.5.2025) by Financial Services and Markets Act 2023 (c. 29), s. 86(3), **Sch. 1 Pt. 4** (with ss. 1(4), 7(4)); S.I. 2025/572, reg. 2(c)(ii)

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Imposition and variation of requirements

55L Imposition of requirements by FCA

(1) Where a person has applied (whether to the FCA or the PRA) for a Part 4A permission or the variation of a Part 4A permission, the FCA may impose on that person such requirements, taking effect on or after the giving or variation of the permission, as the FCA considers appropriate.

(2) The FCA may exercise its power under subsection (3) in relation to an authorised person with a Part 4A permission (whether given by it or by the PRA) ("A") if it appears to the FCA that—

(a) A is failing, or is likely to fail, to satisfy the threshold conditions for which the FCA is responsible,

(b) A has failed, during a period of at least 12 months, to carry on a regulated activity to which the Part 4A permission relates, or

(c) it is desirable to exercise the power in order to advance one or more of the FCA's operational objectives.

(3) The FCA's power under this subsection is a power—

(a) to impose a new requirement,

(b) to vary a requirement imposed by the FCA under this section, or

(c) to cancel such a requirement.

(4) The FCA's power under subsection (3) is referred to in this Part as its own-initiative requirement power.

(5) The FCA may, on the application of an authorised person with a Part 4A permission—

(a) impose a new requirement,

(b) vary a requirement imposed by the FCA under this section, or

(c) cancel such a requirement.

(6) The FCA may refuse an application under subsection (5) if it appears to it that it is desirable to do so in order to advance any of its operational objectives **[**[F277], or the purpose for which the FCA must exercise its functions under Part 8B (see section 131U(1))**]**.

(7) The FCA must consult the PRA before imposing or varying a requirement which relates to—

(a) a person who is, or will on the granting of an application for Part 4A permission be, a PRA-authorised person, or

(b) a person who is a member of a group which includes a PRA-authorised person.

Textual Amendments

F277 Words in s. 55L(6) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), s. 86(2)(c), **Sch. 8 para. 5**

Modifications etc. (not altering text)

C156 S. 55L applied (with modifications) (8.6.2023 for specified purposes, 7.10.2023 in so far as not already in force) by The Financial Services and Markets Act 2000 (Financial Promotion) (Amendment) Order 2023 (S.I. 2023/612), art. 1(2), **Sch. para. 2** (with art. 11)

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

C157 S. 55L(1) modified (1.4.2015) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2015 (S.I. 2015/369), arts. 1, **7(4)**

C158 S. 55L(2) modified by S.I. 1995/1442, reg. 49(2) (as substituted (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 12(c)(i)**)

C159 S. 55L(2) modified (2.4.2013) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2013 (S.I. 2013/655), arts. 1, **10(4)**

C160 S. 55L(2) modified (1.4.2015) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2015 (S.I. 2015/369), arts. 1, **7(5)**

55M Imposition of requirements by PRA

(1) Where—

(a) a person has applied for a Part 4A permission in relation to activities which consist of or include a PRA-regulated activity,

(b) a PRA-authorised person has applied for a Part 4A permission or the variation of a Part 4A permission, or

(c) an authorised person other than a PRA-authorised person has applied for a Part 4A permission to be varied by adding to the regulated activities to which it relates one or more regulated activities which include a PRA-regulated activity,

the PRA may impose on that person such requirements, taking effect on or after the giving or variation of the permission, as the PRA considers appropriate.

(2) The PRA may exercise its power under subsection (3) in relation to a PRA-authorised person with a Part 4A permission ("P") if it appears to the PRA that—

(a) P is failing, or is likely to fail, to satisfy the threshold conditions for which the PRA is responsible,

(b) P has failed, during a period of at least 12 months, to carry on a regulated activity to which the Part 4A permission relates, or

(c) it is desirable to exercise the power in order to advance any of the PRA's objectives.

(3) The PRA's power under this subsection is a power—

(a) to impose a new requirement,

(b) to vary a requirement imposed by the PRA under this section, or

(c) to cancel such a requirement.

(4) The PRA's power under subsection (3) is referred to in this Part as its own-initiative requirement power.

(5) The PRA may, on the application of a PRA-authorised person with a Part 4A permission—

(a) impose a new requirement,

(b) vary a requirement imposed by the PRA under this section, or

(c) cancel such a requirement.

(6) The PRA may refuse an application under subsection (5) if it appears to it that it is desirable to do so in order to advance any of its objectives.

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F278 **[** The PRA may not exercise its powers under this section to impose a requirement (6A) relating to the regulated activity specified in article 63S of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (administering a benchmark).**]**

(7) The PRA must consult the FCA before imposing or varying a requirement.

Textual Amendments

F278 S. 55M(6A) inserted (27.2.2018) by The Financial Services and Markets Act 2000 (Benchmarks) Regulations 2018 (S.I. 2018/135), regs. 1(2), **40(8)**

Modifications etc. (not altering text)

C161 S. 55M(2) modified by S.I. 1995/1442, reg. 49(2) (as substituted (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 12(c)(i)**)

55N Requirements under section 55L or 55M: further provisions

(1) A requirement may, in particular, be imposed—

(a) so as to require the person concerned to take specified action, or

(b) so as to require the person concerned to refrain from taking specified action.

(2) A requirement may extend to activities which are not regulated activities.

(3) A requirement may be imposed by reference to the person's relationship with—

(a) the person's group, or

(b) other members of the person's group.

(4) A requirement may be expressed to expire at the end of such period as the regulator imposing it may specify, but the imposition of a requirement that expires at the end of a specified period does not affect the regulator's power to impose a new requirement.

(5) A requirement may refer to the past conduct of the person concerned (for example, by requiring the person concerned to review or take remedial action in respect of past conduct).

(6) In this section "requirement" means a requirement imposed under section 55L or 55M.

Modifications etc. (not altering text)

C162 S. 55N applied (8.6.2023 for specified purposes, 7.10.2023 in so far as not already in force) by The Financial Services and Markets Act 2000 (Financial Promotion) (Amendment) Order 2023 (S.I. 2023/612), art. 1(2), **Sch. para. 1(a)** (with art. 11)

F279 **[** 55NA General requirement relating to financial promotion approval

(1) An authorised person must not approve the content of a communication for the purposes of section 21 unless the person has permission to do so given by the FCA under this section.

(2) An authorised person who approves the content of a communication for the purposes of section 21 otherwise than in accordance with permission granted under this section

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is to be taken to have contravened a requirement imposed on the person by the FCA under this Act.

(3) Permission may be granted by the FCA under this section on the application of—

(a) an authorised person, or

(b) an applicant for Part 4A permission that has yet to be determined.

(4) The FCA may grant a person permission under this section—

(a) on the terms sought in the application (which may include the grant of permission to give approvals generally for the purposes of section 21), or

(b) subject to any other terms the FCA considers appropriate (which may in particular provide for the giving of permission in a narrower description of case than that sought in the application).

(5) Where the FCA grants permission to a person under this section, the FCA may vary or cancel the permission—

(a) on the application of the person to whom it was given, or

(b) of its own initiative,

and subsection (4)(b) applies to the variation of permission as it applies to its grant.

(6) If the FCA grants or varies permission under this section it must set out the terms on which the permission is given, described in such way as it considers appropriate.

(7) The FCA may refuse to grant an application for permission under this section, or for its variation or cancellation under subsection (5)(a), if it appears to the FCA that it is desirable to do so in order to advance one or more of its operational objectives.

(8) The FCA may vary or cancel a person's permission under subsection (5)(b) if it appears to the FCA that—

(a) the person has failed, during a period of at least 12 months, to give, or to refuse to give, any approvals for the purposes of section 21 in accordance with the permission, or

(b) it is desirable to vary or cancel the permission in order to advance one or more of its operational objectives.

(9) The FCA must consult—

(a) the PRA before giving permission under this section to, or before varying or cancelling permission under this section given to—

(i) a person who is, or will on the granting of an application for Part 4A permission be, a PRA-authorised person, or

(ii) a person who is a member of a group which includes a PRA-authorised person;

(b) the Gibraltar regulator (within the meaning of Schedule 2A) before giving permission under this section to, or before varying or cancelling permission under this section given to, a Gibraltar-based person.

(10) Subsection (9)(b) does not apply in a case where the FCA varies or cancels permission of a Gibraltar-based person in exercise of its power under subsection (5)(b), but the FCA must inform the Gibraltar regulator in writing of the variation or cancellation.

(11) Subsections (1) and (2) do not apply if the giving of approval falls within an exemption conferred by regulations made under section 55NB.

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(12) Nothing in this section limits any other power under this Act to impose requirements in relation to approvals given for the purposes of section 21 so far as those requirements are additional to the requirement imposed by subsection (1) of this section (but any such other requirement that is inconsistent with the requirement imposed by that subsection is of no effect to the extent of that inconsistency).

Textual Amendments

F279 Ss. 55NA, 55NB inserted (29.6.2023 for specified purposes, 6.9.2023 for specified purposes, 6.11.2023 for specified purposes, 7.2.2024 in so far as not already in force) by Financial Services and Markets Act 2023 (c. 29), **ss. 20(3)**, 86(1)(c) (with s. 20(5)); S.I. 2023/936, reg. 2(1)(a)(b)(2)(a)(iii)(3)(4) (with reg. 3)

Modifications etc. (not altering text)

C163 S. 55NA(1) excluded (27.9.2023) by The Financial Services and Markets Act 2000 (Exemptions from Financial Promotion General Requirement) Regulations 2023 (S.I. 2023/966), regs. 1(2), **3**

C164 S. 55NA(1) excluded (temp.) (19.1.2026) by The Public Offers and Admissions to Trading (Amendment and Consequential and Transitional Provisions) Regulations 2025 (S.I. 2025/1076), regs. 1(3), **5**; S.I. 2025/1078, **reg. 5(b)**

55NB Section 55NA: power to provide for exemptions

(1) The Treasury may by regulations provide for exemptions from the requirement imposed by section 55NA(1) not to give approvals for the purposes of section 21 without permission.

(2) Regulations under subsection (1) may provide for an exemption to have effect—

(a) in respect of specified persons;

(b) in respect of persons falling within a specified class;

(c) in respect of approval given in relation to activities of a specified description;

(d) only in specified circumstances;

(e) subject to specified conditions.

(3) In this section "specified" means specified in regulations under this section.**]**

Textual Amendments

F279 Ss. 55NA, 55NB inserted (29.6.2023 for specified purposes, 6.9.2023 for specified purposes, 6.11.2023 for specified purposes, 7.2.2024 in so far as not already in force) by Financial Services and Markets Act 2023 (c. 29), **ss. 20(3)**, 86(1)(c) (with s. 20(5)); S.I. 2023/936, reg. 2(1)(a)(b)(2)(a)(iii)(3)(4) (with reg. 3)

55O Imposition of requirements on acquisition of control

(1) This section applies if it appears to the appropriate regulator that—

(a) a person has acquired control over a UK authorised person who has a Part 4A permission, but

(b) there are no grounds for exercising its own-initiative requirement power **[**[F280]or (as the case may be) the power under section 55NA(5)(b)**]**.

Status: *This version of this Act contains provisions that are prospective.*
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(2) If it appears to the appropriate regulator that the likely effect of the acquisition of control on the UK authorised person, or on any of its activities, is uncertain, the appropriate regulator may—

(a) impose on the UK authorised person a requirement that could be imposed by that regulator under section 55L **[**F281, 55M or 55NA**]** (as the case may be) on the giving of permission, or

(b) vary a requirement imposed by that regulator under that section on the UK authorised person.

(3) "The appropriate regulator" means—

(a) in a case where the UK authorised person is a PRA-authorised person **[**F282and the case does not relate to a requirement that is imposed (or that could be imposed) under section 55NA**]**, the FCA or the PRA;

(b) in any other case, the FCA.

(4) This section does not affect any duty of the appropriate regulator to consult or obtain the consent of the other regulator in connection with the imposition of the requirement.

(5) Any reference to a person having acquired control is to be read in accordance with Part 12.

Textual Amendments

F280 Words in s. 55O(1)(b) inserted (7.2.2024) by Financial Services and Markets Act 2023 (c. 29), s. 86(3), **Sch. 5 para. 5(2)** (with s. 20(5)); S.I. 2023/936, reg. 2(3)

F281 Words in s. 55O(2)(a) substituted (7.2.2024) by Financial Services and Markets Act 2023 (c. 29), s. 86(3), **Sch. 5 para. 5(3)** (with s. 20(5)); S.I. 2023/936, reg. 2(3)

F282 Words in s. 55O(3) inserted (7.2.2024) by Financial Services and Markets Act 2023 (c. 29), s. 86(3), **Sch. 5 para. 5(4)** (with s. 20(5)); S.I. 2023/936, reg. 2(3)

55P Prohibitions and restrictions

(1) This section applies if—

(a) on a person being given a Part 4A permission, either regulator imposes an assets requirement on that person,

(b) an assets requirement is imposed on an authorised person, or

(c) an assets requirement previously imposed on such a person is varied.

(2) A person on whom an assets requirement is imposed is referred to in this section as "A".

(3) The "appropriate regulator" is the regulator which imposed the requirement.

(4) "Assets requirement" means a requirement under section 55L or 55M—

(a) prohibiting the disposal of, or other dealing with, any of A's assets (whether in the United Kingdom or elsewhere) or restricting such disposals or dealings, or

(b) that all or any of A's assets, or all or any assets belonging to consumers but held by A or to A's order, must be transferred to and held by a trustee approved by the appropriate regulator.

(5) If the appropriate regulator—

(a) imposes a requirement of the kind mentioned in subsection (4)(a), and

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(b) gives notice of the requirement to any institution with whom A keeps an account,

the notice has the effects mentioned in subsection (6).

(6) Those effects are that—

(a) the institution does not act in breach of any contract with A if, having been instructed by A (or on A's behalf) to transfer any sum or otherwise make any payment out of A's account, it refuses to do so in the reasonably held belief that complying with the instruction would be incompatible with the requirement, and

(b) if the institution complies with such an instruction, it is liable to pay to the appropriate regulator an amount equal to the amount transferred from, or otherwise paid out of, A's account in contravention of the requirement.

(7) If the appropriate regulator imposes a requirement of the kind mentioned in subsection (4)(b), no assets held by a person as trustee in accordance with the requirement may, while the requirement is in force, be released or dealt with except with the consent of the appropriate regulator.

(8) If, while a requirement of the kind mentioned in subsection (4)(b) is in force, A creates a charge over any assets of A held in accordance with the requirement, the charge is (to the extent that it confers security over the assets) void against the liquidator and any of A's creditors.

(9) Assets held by a person as trustee ("T") are to be taken to be held by T in accordance with any requirement mentioned in subsection (4)(b) only if—

(a) A has given T written notice that those assets are to be held by T in accordance with the requirement, or

(b) they are assets into which assets to which paragraph (a) applies have been transposed by T on the instructions of A.

(10) A person who contravenes subsection (7) is guilty of an offence and liable on summary conviction to a fine not exceeding level 5 on the standard scale.

(11) "Charge" includes a mortgage (or in Scotland a security over property).

(12) Subsections (7) and (9) do not affect any equitable interest or remedy in favour of a person who is a beneficiary of a trust as a result of a requirement of the kind mentioned in subsection (4)(b).

Modifications etc. (not altering text)

C165 S. 55P applied (with modifications) (8.6.2023 for specified purposes, 7.10.2023 in so far as not already in force) by The Financial Services and Markets Act 2000 (Financial Promotion) (Amendment) Order 2023 (S.I. 2023/612), art. 1(2), **Sch. para. 3** (with art. 11)

F283 55PA. Assets requirements imposed on insurance undertakings or reinsurance undertakings

. . . . . .

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Textual Amendments

F283 S. 55PA omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **19**; 2020 c. 1, Sch. 5 para. 1(1)

[F284 55PB. Requirements relating to general meetings

(1) This section applies where—

(a) either regulator has imposed a general meeting requirement on an authorised person who is a bank, building society or investment firm,

(b) the authorised person has not complied with the general meeting requirement, and

(c) the appropriate regulator considers that the authorised person has infringed, or is likely in the near future to infringe—

(i) a relevant requirement within the meaning of section 204A; or

(ii) one or more of Articles 3 to 7, 14 to 17 or 24 to 26 of Regulation (EU) No 600/2014 of 15th May 2014 of the European Parliament and of the Council on Markets in Financial Instruments.

(2) A general meeting requirement is a requirement under section 55L or 55M that the authorised person call a general meeting of its shareholders or members.

(3) The appropriate regulator may call a general meeting of the shareholders or members of the authorised person.

(4) The appropriate regulator may propose business for consideration and decision at the general meeting.

(5) The meeting must be called in the same manner, as far as practicable, as that in which meetings are required to be called by the board of directors (or the equivalent management body) of the authorised person.

(6) For the purposes of this section—

"bank" has the meaning given in section 2 of the Banking Act 2009;

"building society" has the meaning given in the Building Societies Act 1986;

"investment firm" has the meaning given in **[**[F285]Article 4(1)(2) of the capital requirements regulation**]**;

"the appropriate regulator" means the regulator who imposed the general meeting requirement.**]**

Textual Amendments

F284 S. 55PB inserted (16.12.2016) by The Bank Recovery and Resolution Order 2016 (S.I. 2016/1239), arts. 1(2), **31**

F285 Words in s. 55PB(6) substituted (1.1.2022) by The Financial Services Act 2021 (Prudential Regulation of Credit Institutions and Investment Firms) (Consequential Amendments and Miscellaneous Provisions) Regulations 2021 (S.I. 2021/1376), regs. 1(3), **4(4)**

Status: *This version of this Act contains provisions that are prospective.*
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Exercise of power in support of overseas regulator

55Q Exercise of power in support of overseas regulator

(1) Either UK regulator's own-initiative powers may be exercised in respect of an authorised person at the request of, or for the purpose of assisting, an overseas regulator of a prescribed kind.

F286(2) . . . . . .

(3) Subsection (1) does not affect any duty of one UK regulator to consult or obtain the consent of the other UK regulator in relation to the exercise of its own-initiative powers.

F287(4) . . . . . .

(5) In deciding whether or not to **[**F288exercise its own-initiative powers in response to a request, the UK regulator**]** may take into account in particular—

(a) whether in the country or territory of the overseas regulator concerned, corresponding assistance would be given to a United Kingdom regulatory authority;

(b) whether the case concerns the breach of a law, or other requirement, which has no close parallel in the United Kingdom or involves the assertion of a jurisdiction not recognised by the United Kingdom;

(c) the seriousness of the case and its importance to persons in the United Kingdom;

(d) whether it is otherwise appropriate in the public interest to give the assistance sought.

(6) The UK regulator may decide not to exercise its own-initiative powers, in response to a request, unless the overseas regulator concerned undertakes to make such contribution towards the cost of their exercise as the UK regulator considers appropriate.

F289(7) . . . . . .

(8) In **[**F290subsections (5) and**]** (6) "request" means a request of a kind mentioned in subsection (1).

(9) In this section—

(a) "UK regulator" means the FCA or the PRA;

(b) "overseas regulator" means a regulator outside the United Kingdom;

(c) "own-initiative powers", in relation to the FCA or the PRA, means its own-initiative variation power and its own-initiative requirement power.

Textual Amendments

F286 S. 55Q(2) omitted (31.12.2020) by virtue of The EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018 (S.I. 2018/1149), reg. 1(3), **Sch. para. 6** (with reg. 4); 2020 c. 1, Sch. 5 para. 1(1)

F287 S. 55Q(4) omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **20(2)**; 2020 c. 1, Sch. 5 para. 1(1)

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F288 Words in s. 55Q(5) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **20(3)**; 2020 c. 1, Sch. 5 para. 1(1)

F289 S. 55Q(7) omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **20(4)**; 2020 c. 1, Sch. 5 para. 1(1)

F290 Words in s. 55Q(8) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **20(5)**; 2020 c. 1, Sch. 5 para. 1(1)

Modifications etc. (not altering text)

C166 S. 55Q applied (with modifications) (8.6.2023 for specified purposes, 7.10.2023 in so far as not already in force) by The Financial Services and Markets Act 2000 (Financial Promotion) (Amendment) Order 2023 (S.I. 2023/612), art. 1(2), **Sch. para. 4** (with art. 11)

Connected persons

55R Persons connected with an applicant

(1) In considering—

(a) an application for a Part 4A permission,

(b) whether to vary or cancel a Part 4A permission,

[an application for permission under section 55NA,

F291(ba)

(bb) whether to vary or cancel permission under section 55NA,**]**

(c) whether to impose or vary a requirement under this Part, or

(d) whether to give any consent required by any provision of this Part,

the regulator concerned may have regard to any person appearing to it to be, or likely to be, in a relationship with the applicant or a person given permission which is relevant.

F292(2) . . . . . .

F292(3) . . . . . .

F292(3A) . . . . . .

F292(3B) . . . . . .

F293(4) . . . . . .

F293(5) . . . . . .

F293(6) . . . . . .

F293(7) . . . . . .

F293(8) . . . . . .

F293(9) . . . . . .

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Textual Amendments

F291 S. 55R(1)(ba)(bb) inserted (6.9.2023 for specified purposes, 6.11.2023 for specified purposes, 7.2.2024 in so far as not already in force) by Financial Services and Markets Act 2023 (c. 29), s. 86(3), **Sch. 5 para. 6** (with s. 20(5)); S.I. 2023/936, reg. 2(1)(a)(b)(2)(b)(ii)(3)(4)

F292 S. 55R(2)-(3B) omitted (31.12.2020) by virtue of The EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018 (S.I. 2018/1149), reg. 1(3), **Sch. para. 7** (with reg. 4); 2020 c. 1, Sch. 5 para. 1(1)

F293 S. 55R(4)-(9) omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **21**; 2020 c. 1, Sch. 5 para. 1(1)

Modifications etc. (not altering text)

C167 S. 55R applied (with modifications) (8.6.2023 for specified purposes, 7.10.2023 in so far as not already in force) by The Financial Services and Markets Act 2000 (Financial Promotion) (Amendment) Order 2023 (S.I. 2023/612), art. 1(2), **Sch. para. 5** (with art. 11)

Additional permissions

[F294]55S Duty of FCA or PRA to consider other permissions

. . . . . .

Textual Amendments

F294 S. 55S omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **22**; 2020 c. 1, Sch. 5 para. 1(1)

Persons whose interests are protected

55T Persons whose interests are protected

For the purpose of any provision of this Part which refers to the FCA's operational objectives, **[**[F295]the purpose for which the FCA must exercise its functions under Part 8B,**]** or the PRA's objectives in relation to the exercise of a power in relation to a particular person, it does not matter whether there is a relationship between that person and the persons whose interests will be protected by the exercise of the power.

Textual Amendments

F295 Words in s. 55T inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), s. 86(2)(c), **Sch. 8 para. 6**

Modifications etc. (not altering text)

C168 Ss. 55T-55V applied (8.6.2023 for specified purposes, 7.10.2023 in so far as not already in force) by The Financial Services and Markets Act 2000 (Financial Promotion) (Amendment) Order 2023 (S.I. 2023/612), art. 1(2), **Sch. para. 1(b)** (with art. 11)

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Procedure

55U Applications under this Part

(1) An application for a Part 4A permission must—

(a) contain a statement of the regulated activity or regulated activities which the applicant proposes to carry on and for which the applicant wishes to have permission, and

(b) give the address of a place in the United Kingdom for service on the applicant of any notice or other document which is required or authorised to be served on the applicant under this Act.

(2) An application for the variation of a Part 4A permission must contain a statement—

(a) of the desired variation, and

(b) of the regulated activity or regulated activities which the applicant proposes to carry on if the permission is varied.

(3) An application for the variation of a requirement imposed under section 55L or 55M or for the imposition of a new requirement must contain a statement of the desired variation or requirement.

[F296(3A) An application for permission under section 55NA, or for the variation of permission under that section, must contain a statement of the desired permission or variation.**]**

(4) An application under this Part must—

(a) be made in such manner as the regulator to which it is to be made may direct, and

(b) contain, or be accompanied by, such other information as that regulator may reasonably require.

(5) At any time after the application is received and before it is determined, the appropriate regulator may require the applicant to provide it with such further information as it reasonably considers necessary to enable it to determine the application or, as the case requires, to decide whether to give consent.

(6) In subsection (5), the "appropriate regulator" means—

(a) in a case where the application is made to the FCA, the FCA;

(b) in a case where the application is made to the PRA, the FCA or the PRA.

(7) Different directions may be given, and different requirements imposed, in relation to different applications or categories of application.

(8) Each regulator may require an applicant to provide information which the applicant is required to provide to it under this section in such form, or to verify it in such a way, as the regulator may direct.

(9) The PRA must consult the FCA before—

(a) giving a direction under this section in relation to a class of applications, or

(b) imposing a requirement under this section in relation to a class of applications.

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Textual Amendments

F296 S. 55U(3A) inserted (6.9.2023 for specified purposes, 6.11.2023 for specified purposes, 7.2.2024 in so far as not already in force) by Financial Services and Markets Act 2023 (c. 29), s. 86(3), **Sch. 5 para. 7** (with s. 20(5)); S.I. 2023/936, reg. 2(1)(a)(b)(2)(b)(ii)(3)(4)

Modifications etc. (not altering text)

C168 Ss. 55T-55V applied (8.6.2023 for specified purposes, 7.10.2023 in so far as not already in force) by The Financial Services and Markets Act 2000 (Financial Promotion) (Amendment) Order 2023 (S.I. 2023/612), art. 1(2), **Sch. para. 1(b)** (with art. 11)

C169 S. 55U(1)-(4) excluded (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No.2) Order 2013 (S.I. 2013/1881), arts. 1(2)(6), **31(7)**

C170 S. 55U(1)-(4) excluded (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No. 2) Order 2013 (S.I. 2013/1881), arts. 1(2)(6), **33(5)**

C171 S. 55U(1)-(4) excluded (E.W.S.) (29.11.2018 for specified purposes, 1.4.2019 in so far as not already in force) by The Financial Services and Markets Act 2000 (Claims Management Activity) Order 2018 (S.I. 2018/1253), arts. 1(2)(3), **41(7)**

C172 S. 55U(4)(5)(7)(8) applied (14.2.2014 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2014 (S.I. 2014/366), arts. 1(3)(4), **4**

C173 S. 55U(4)(5)(7)(8) applied (with modifications) (26.2.2014 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Consumer Credit) (Miscellaneous Provisions) Order 2014 (S.I. 2014/208), arts. 1(3)(4), **2(1)**

C174 S. 55U(5) applied (with modifications) (26.2.2014 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Consumer Credit) (Miscellaneous Provisions) Order 2014 (S.I. 2014/208), arts. 1(3)(4), **2(1)**

C175 S. 55U(5) applied (14.2.2014 for specified purposes) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2014 (S.I. 2014/366), arts. 1(3)(4), **4**

C176 S. 55U(7) applied (with modifications) (26.2.2014 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Consumer Credit) (Miscellaneous Provisions) Order 2014 (S.I. 2014/208), arts. 1(3)(4), **2(1)**

C177 S. 55U(7) applied (14.2.2014 for specified purposes) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2014 (S.I. 2014/366), arts. 1(3)(4), **4**

C178 S. 55U(8) applied (14.2.2014 for specified purposes) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2014 (S.I. 2014/366), arts. 1(3)(4), **4**

C179 S. 55U(8) applied (with modifications) (26.2.2014 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Consumer Credit) (Miscellaneous Provisions) Order 2014 (S.I. 2014/208), arts. 1(3)(4), **2(1)**

55V Determination of applications

(1) An application under this Part must be determined by the regulator to which it is required to be made ("the appropriate regulator") before the end of the period of 6 months beginning with the date on which it received the completed application.

(2) The appropriate regulator may determine an incomplete application if it considers it appropriate to do so; and it must in any event determine such an application within 12 months beginning with the date on which it received the application.

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

(3) Where the application cannot be determined by the appropriate regulator without the consent of the other regulator, the other regulator's decision must also be made within the period required by subsection (1) or (2).

(4) The applicant may withdraw the application, by giving the appropriate regulator written notice, at any time before the appropriate regulator determines it.

(5) If the appropriate regulator grants an application—

(a) for Part 4A permission,

(b) for the variation or cancellation of a Part 4A permission,

(c) for the variation or cancellation of a requirement imposed under section 55L or 55M, [F297]...

(d) for the imposition of a new requirement under either of those sections **[**[F298], or

(e) for permission under section 55NA or for the variation or cancellation of permission granted under that section,**]**

it must give the applicant written notice.

(6) The notice must state the date from which the permission, variation, cancellation or requirement has effect.

(7) A notice under this section which is given by the PRA and relates to the grant of an application for Part 4A permission or for the variation of a Part 4A permission must state that the FCA has given its consent to the grant of the application.

[F299](8) **[** In the case of an application for permission under this Part which—

(a) relates to the regulated activity of managing an AIF, and

(b) would if granted result in the applicant becoming a full-scope UKAIFM,

this section has effect subject to regulation 5 of the Alternative Investment Fund Managers Regulations 2013 and, accordingly, subsections (1) to (3) do not apply.**]**

[F300](9) **[** In the case of an application which—

(a) is for a Part 4A permission or a variation of a Part 4A permission, and

(b) relates only to the undertaking of insurance distribution activity,

subsection (1) has effect as if the reference to "6 months" were to "3 months".

(10) In this section, "insurance distribution activity" has the meaning given in article 92 of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001.**]**

Textual Amendments

F297 Word in s. 55V(5)(c) omitted (6.9.2023 for specified purposes, 6.11.2023 for specified purposes, 7.2.2024 in so far as not already in force) by virtue of Financial Services and Markets Act 2023 (c. 29), s. 86(3), **Sch. 5 para. 8(a)** (with s. 20(5)); S.I. 2023/936, reg. 2(1)(a)(b)(2)(b)(ii)(3)(4)

F298 S. 55V(5)(e) and word inserted (6.9.2023 for specified purposes, 6.11.2023 for specified purposes, 7.2.2024 in so far as not already in force) by Financial Services and Markets Act 2023 (c. 29), s. 86(3), **Sch. 5 para. 8(b)** (with s. 20(5)); S.I. 2023/936, reg. 2(1)(a)(b)(2)(b)(ii)(3)(4)

F299 S. 55V(8) inserted (22.7.2013) by The Alternative Investment Fund Managers Regulations 2013 (S.I. 2013/1773), reg. 1, **Sch. 1 para. 6**

F300 S. 55V(9)(10) inserted (1.10.2018) by The Insurance Distribution (Regulated Activities and Miscellaneous Amendments) Order 2018 (S.I. 2018/546), arts. 1(2), **10(2)**

Status: *This version of this Act contains provisions that are prospective.*
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Modifications etc. (not altering text)

C168 Ss. 55T-55V applied (8.6.2023 for specified purposes, 7.10.2023 in so far as not already in force) by The Financial Services and Markets Act 2000 (Financial Promotion) (Amendment) Order 2023 (S.I. 2023/612), art. 1(2), **Sch. para. 1(b)** (with art. 11)

C180 S. 55V modified (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No.2) Order 2013 (S.I. 2013/1881), arts. 1(2)(6), **31(8)**

C181 S. 55V modified (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No.2) Order 2013 (S.I. 2013/1881), arts. 1(2)(6), **33(6)**

C182 S. 55V modified (E.W.S.) (29.11.2018 for specified purposes, 1.4.2019 in so far as not already in force) by The Financial Services and Markets Act 2000 (Claims Management Activity) Order 2018 (S.I. 2018/1253), arts. 1(2)(3), **41(8)**

C183 S. 55V(1) excluded (1.4.2017 for specified purposes) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2017 (S.I. 2017/488), arts. 1(2), **15(1)** (with art. 16)

C184 S. 55V(1) excluded (1.4.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2017 (S.I. 2017/488), arts. 1(2), **15(1)** (with art. 16)

C185 S. 55V(4) modified (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No.2) Order 2013 (S.I. 2013/1881), arts. 1(2)(6), **32(3)(b)**

55W Applications under this Part: communications between regulators

The PRA must as soon as practicable notify the FCA of the receipt or withdrawal of—

(a) an application for permission under section 55A,

(b) an application under section 55I, or

(c) an application under section 55M(5).

55X Determination of applications: warning notices and decision notices

(1) If a regulator proposes—

(a) to give a Part 4A permission but to exercise its power under section 55E(5)(a) or (b) or 55F(4)(a) or (b),

(b) to give a Part 4A permission but to exercise its power under section 55L(1) or 55M(1) in connection with the application for permission,

(c) to vary a Part 4A permission on the application of an authorised person but to exercise its power under section 55E(5)(a) or (b) or 55F(4)(a) or (b),

(d) to vary a Part 4A permission but to exercise its power under section 55L(1) or 55M(1) in connection with the application for variation, [F301]...

(e) in the case of the FCA, to exercise its power under section 55L(1) in connection with an application to the PRA for a Part 4A permission or the variation of a Part 4A permission,

[F302](f) to give permission under section 55NA but to exercise its power under subsection (4)(b) of that section, or

(g) to vary permission under section 55NA on the application of an authorised person but to exercise its power under subsection (4)(b) of that section,]

it must give the applicant a warning notice.

Status: *This version of this Act contains provisions that are prospective.*
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(2) If a regulator proposes to refuse an application made under this Part, it must [F303]... give the applicant a warning notice.

[F304](3) . . . . . .

(4) If a regulator decides—

(a) to give a Part 4A permission but to exercise its power under section 55E(5)(a) or (b) or 55F(4)(a) or (b),

(b) to give a Part 4A permission but to exercise its power under section 55L(1) or 55M(1) in connection with the giving of the permission,

(c) to vary a Part 4A permission on the application of an authorised person but to exercise its power under section 55E(5)(a) or (b) or 55F(4)(a) or (b),

(d) to vary a Part 4A permission on the application of an authorised person but to exercise its power under section 55L(1) or 55M(1) in connection with the variation,

(e) in the case of the FCA, to exercise its power under section 55L(1) in connection with an application to the PRA for a Part 4A permission or the variation of a Part 4A permission, [F305]...

[[F306](ea) to give permission under section 55NA but to exercise its power under subsection (4)(b) of that section,

(eb) to vary permission under section 55NA on the application of an authorised person but to exercise its power under subsection (4)(b) of that section, or**]**

(f) to refuse an application under this Part,

it must give the applicant a decision notice.

[F307](5) **[** This section does not apply to applications to which section 55XA applies.**]**

Textual Amendments

F301 Word in s. 55X(1)(d) omitted (6.9.2023 for specified purposes, 6.11.2023 for specified purposes, 7.2.2024 in so far as not already in force) by virtue of Financial Services and Markets Act 2023 (c. 29), s. 86(3), **Sch. 5 para. 9(2)(a)** (with s. 20(5)); S.I. 2023/936, reg. 2(1)(a)(b)(2)(b)(ii)(3)(4)

F302 S. 55X(1)(f)(g) inserted (6.9.2023 for specified purposes, 6.11.2023 for specified purposes, 7.2.2024 in so far as not already in force) by Financial Services and Markets Act 2023 (c. 29), s. 86(3), **Sch. 5 para. 9(2)(b)** (with s. 20(5)); S.I. 2023/936, reg. 2(1)(a)(b)(2)(b)(ii)(3)(4)

F303 Words in s. 55X(2) omitted (31.12.2020) by virtue of The EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018 (S.I. 2018/1149), reg. 1(3), **Sch. para. 8(2)** (with reg. 4); 2020 c. 1, Sch. 5 para. 1(1)

F304 S. 55X(3) omitted (31.12.2020) by virtue of The EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018 (S.I. 2018/1149), reg. 1(3), **Sch. para. 8(3)** (with reg. 4); 2020 c. 1, Sch. 5 para. 1(1)

F305 Word in s. 55X(4)(e) omitted (6.9.2023 for specified purposes, 6.11.2023 for specified purposes, 7.2.2024 in so far as not already in force) by virtue of Financial Services and Markets Act 2023 (c. 29), s. 86(3), **Sch. 5 para. 9(3)(a)** (with s. 20(5)); S.I. 2023/936, reg. 2(1)(a)(b)(2)(b)(ii)(3)(4)

F306 S. 55X(4)(ea)(eb) inserted (6.9.2023 for specified purposes, 6.11.2023 for specified purposes, 7.2.2024 in so far as not already in force) by Financial Services and Markets Act 2023 (c. 29), s. 86(3), **Sch. 5 para. 9(3)(b)** (with s. 20(5)); S.I. 2023/936, reg. 2(1)(a)(b)(2)(b)(ii)(3)(4)

F307 S. 55X(5) inserted (27.2.2018) by The Financial Services and Markets Act 2000 (Benchmarks) Regulations 2018 (S.I. 2018/135), regs. 1(2), **40(9)**

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Modifications etc. (not altering text)

C186 S. 55X applied (with modifications) (27.2.2018) by The Financial Services and Markets Act 2000 (Benchmarks) Regulations 2018 (S.I. 2018/135), regs. 1(2), **6(5)**

C187 S. 55X applied (8.6.2023 for specified purposes, 7.10.2023 in so far as not already in force) by The Financial Services and Markets Act 2000 (Financial Promotion) (Amendment) Order 2023 (S.I. 2023/612), art. 1(2), **Sch. para. 1(c)** (with art. 11)

[F308 55XA Applications relating to administering a benchmark

(1) If the FCA decides—

(a) to give a Part 4A permission to carry on the regulated activity specified in article 63S of the RAO (administering a benchmark) but to exercise its power in section 55E(5)(a) or (b) in connection with the application for permission,

(b) to give a Part 4A permission to carry on the regulated activity specified in article 63S of the RAO (administering a benchmark) but to exercise its power in section 55L(1) in connection with the application for permission,

(c) to vary a Part 4A permission to include permission to carry on the regulated activity specified in article 63S of the RAO (administering a benchmark) on the application of an authorised person but to exercise its power in section 55E(5)(a) or (b) in connection with the application for variation,

(d) to vary a Part 4A permission to include permission to carry on the regulated activity specified in article 63S of the RAO (administering a benchmark) on the application of an authorised person but to exercise its power in section 55L(1) in connection with the application for variation,

(e) to refuse an application for a Part 4A permission to carry on the regulated activity specified in article 63S of the RAO (administering a benchmark), or

(f) to refuse an application for a variation of a Part 4A permission to include permission to carry on the regulated activity specified in article 63S of the RAO (administering a benchmark),

it must give the applicant a written notice.

(2) A written notice under subsection (1) must—

(a) give details of the decision made by the FCA,

(b) state the FCA's reasons for the decision,

(c) state whether the decision takes effect immediately or on such date as may be specified in the notice,

(d) inform the applicant that the applicant may either—

(i) request a review of the decision, and make written representations for the purpose of the review, within such period as may be specified in the notice, or

(ii) refer the matter to the Tribunal within such period as may be specified in the notice, and

(e) indicate the procedure on a reference to the Tribunal.

(3) If the applicant requests a review of the decision made by the FCA ("the original decision"), the FCA must consider any written representations made by the applicant and review the original decision.

(4) On a review under subsection (3) the FCA may make any decision ("the new decision") the FCA could have made on the application.

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

(5) The FCA must give the applicant written notice of its decision on the review.

(6) If the new decision is to do any of the things mentioned in subsection (1)(a) to (f), the written notice under subsection (5) must—

(a) give details of the new decision made by the FCA,

(b) state the FCA's reasons for the new decision,

(c) inform the applicant that the applicant may, within such period as may be specified in the notice, refer the new decision to the Tribunal, and

(d) indicate the procedure on a reference to the Tribunal.

(8) In this section "the RAO" means the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001.**]**

Textual Amendments

F308 S. 55XA inserted (27.2.2018) by The Financial Services and Markets Act 2000 (Benchmarks) Regulations 2018 (S.I. 2018/135), regs. 1(2), **40(10)**

55Y Exercise of own-initiative power: procedure

(1) This section applies to an exercise of either regulator's own-initiative variation power or own-initiative requirement power in relation to an authorised person ("A").

[F309(1A) This section also applies to an exercise of the FCA's power under subsection (5)(b) of section 55NA to vary of its own initiative a permission given under that section to an authorised person ("A").

(1B) References in this section to a regulator's own initiative variation power are to be taken as including the power mentioned in subsection (1A).**]**

(2) A variation of a permission or the imposition or variation of a requirement takes effect—

(a) immediately, if the notice given under subsection (4) states that that is the case,

(b) on such date as may be specified in the notice, or

(c) if no date is specified in the notice, when the matter to which the notice relates is no longer open to review.

(3) A variation of a permission, or the imposition or variation of a requirement, may be expressed to take effect immediately (or on a specified date) only if the regulator concerned, having regard to the ground on which it is exercising its own-initiative variation power or own-initiative requirement power, reasonably considers that it is necessary for the variation, or the imposition or variation of the requirement, to take effect immediately (or on that date).

[F310(4) If either regulator—

(a) proposes to vary a Part 4A permission or to impose or vary a requirement,

(b) varies a Part 4A permission, or imposes or varies a requirement, with immediate effect,

(c) proposes to vary a permission under section 55NA, or

(d) varies permission under section 55NA with immediate effect,

it must give A written notice.**]**

Status: *This version of this Act contains provisions that are prospective.*
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(5) The notice must—

(a) give details of the variation of the permission or the requirement or its variation,

(b) state the regulator's reasons for the variation of the permission or the imposition or variation of the requirement,

(c) inform A that A may make representations to the regulator within such period as may be specified in the notice (whether or not A has referred the matter to the Tribunal),

(d) inform A of when the variation of the permission or the imposition or variation of the requirement takes effect, and

(e) inform A of A's right to refer the matter to the Tribunal.

(6) The regulator may extend the period allowed under the notice for making representations.

(7) If, having considered any representations made by A, the regulator decides—

(a) to vary the permission, or impose or vary the requirement, in the way proposed, or

(b) if the permission has been varied or the requirement imposed or varied, not to rescind the variation of the permission or the imposition or variation of the requirement,

it must give A written notice.

(8) If, having considered any representations made by A, the regulator decides—

(a) not to vary the permission, or impose or vary the requirement, in the way proposed,

(b) to vary the permission or requirement in a different way, or impose a different requirement, or

(c) to rescind a variation or requirement which has effect,

it must give A written notice.

(9) A notice under subsection (7) must inform A of A's right to refer the matter to the Tribunal.

(10) A notice under subsection (8)(b) must comply with subsection (5).

(11) If a notice informs A of A's right to refer a matter to the Tribunal, it must give an indication of the procedure on such a reference.

(12) For the purposes of subsection (2)(c), whether a matter is open to review is to be determined in accordance with section 391(8).

Textual Amendments

F309 S. 55Y(1A)(1B) inserted (6.9.2023 for specified purposes, 6.11.2023 for specified purposes, 7.2.2024 in so far as not already in force) by Financial Services and Markets Act 2023 (c. 29), s. 86(3), **Sch. 5 para. 10(2)** (with s. 20(5)); S.I. 2023/936, reg. 2(1)(a)(b)(2)(b)(ii)(3)(4)

F310 S. 55Y(4) substituted (6.9.2023 for specified purposes, 6.11.2023 for specified purposes, 7.2.2024 in so far as not already in force) by Financial Services and Markets Act 2023 (c. 29), s. 86(3), **Sch. 5 para. 10(3)** (with s. 20(5)); S.I. 2023/936, reg. 2(1)(a)(b)(2)(b)(ii)(3)(4)

Status: *This version of this Act contains provisions that are prospective.*
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Modifications etc. (not altering text)

C188 S. 55Y applied (22.7.2013) by The Alternative Investment Fund Managers Regulations 2013 (S.I. 2013/1773), regs. 1, **22(4)**

C189 S. 55Y applied by S.I. 2013/1773, reg. 22(4) (as substituted (16.6.2014) by The Alternative Investment Fund Managers Order 2014 (S.I. 2014/1292), arts. 1(2), **4(3)**)(as amended by S.I. 2014/1313, arts. 1, 2(a))

C190 S. 55Y applied by S.I. 2013/1773, reg. 75(8) (as added) (16.6.2014) by The Alternative Investment Fund Managers Order 2014 (S.I. 2014/1292), arts. 1(2), **4(7)(e)**(as amended by S.I. 2014/1313, arts. 1, 2(a))

C191 S. 55Y excluded (1.4.2015) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2015 (S.I. 2015/369), arts. 1, **8(2)**

C192 S. 55Y applied (20.4.2015 for specified purposes, 21.12.2015 for specified purposes, 21.3.2016 in so far as not already in force) by The Mortgage Credit Directive Order 2015 (S.I. 2015/910), arts. 1(5), **19(6)** (with Pt. 4)

C193 S. 55Y applied (with modifications) (3.1.2018) by The Data Reporting Services Regulations 2017 (S.I. 2017/699), regs. 1(2)(b), **22(6)**

C194 S. 55Y applied (with modifications) (27.2.2018) by The Financial Services and Markets Act 2000 (Benchmarks) Regulations 2018 (S.I. 2018/135), regs. 1(2), **6(6)**

C195 S. 55Y applied (with modifications) (8.6.2023 for specified purposes, 7.10.2023 in so far as not already in force) by The Financial Services and Markets Act 2000 (Financial Promotion) (Amendment) Order 2023 (S.I. 2023/612), art. 1(2), **Sch. para. 6** (with art. 11)

C196 S. 55Y applied (with modifications) (5.4.2024) by The Data Reporting Services Regulations 2024 (S.I. 2024/107), regs. 1(2), **13(6)**; S.I. 2023/1382, reg. 4(c)

C197 S. 55Y(5)(6) excluded (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No. 2) Order 2013 (S.I. 2013/1881), arts. 1(2)(6), **35(2)**, 37(3)(b), 39(2)(a)(i)(b), 41(2)

C198 S. 55Y(7) excluded (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No.2) Order 2013 (S.I. 2013/1881), arts. 1(2)(6), **36(2)**

C199 S. 55Y(9) excluded (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No. 2) Order 2013 (S.I. 2013/1881), arts. 1(2)(6), 38(3)(b), **40(2)(a)(i)(b)**, 42(2)

55Z Cancellation of Part 4A permission [F311or permission under section 55NA]: procedure

(1) If a regulator proposes to cancel an authorised person's Part 4A permission **[**F312or permission under section 55NA**]** otherwise than at the person's request, it must give the person a warning notice.

(2) If a regulator decides to cancel an authorised person's Part 4A permission **[**F313or permission under section 55NA**]** otherwise than at the person's request, it must give the person a decision notice.

Textual Amendments

F311 Words in s. 55Z heading inserted (6.9.2023 for specified purposes, 6.11.2023 for specified purposes, 7.2.2024 in so far as not already in force) by Financial Services and Markets Act 2023 (c. 29), s. 86(3), **Sch. 5 para. 11(2)** (with s. 20(5)); S.I. 2023/936, **reg. 2(1)(a)(b)(2)(b)(ii)(3)(4)**

F312 Words in s. 55Z(1) inserted (6.9.2023 for specified purposes, 6.11.2023 for specified purposes, 7.2.2024 in so far as not already in force) by Financial Services and Markets Act 2023 (c. 29), s. 86(3), **Sch. 5 para. 11(3)** (with s. 20(5)); S.I. 2023/936, reg. 2(1)(a)(b)(2)(b)(ii)(3)(4)

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

F313 Words in s. 55Z(2) inserted (6.9.2023 for specified purposes, 6.11.2023 for specified purposes, 7.2.2024 in so far as not already in force) by Financial Services and Markets Act 2023 (c. 29), s. 86(3), **Sch. 5 para. 11(4)** (with s. 20(5)); S.I. 2023/936, reg. 2(1)(a)(b)(2)(b)(ii)(3)(4)

Modifications etc. (not altering text)

C200 S. 55Z excluded (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No.2) Order 2013 (S.I. 2013/1881), arts. 1(2)(6), **32(3)(a)**

C201 S. 55Z excluded (1.4.2015) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2015 (S.I. 2015/369), arts. 1, **5(7)**

C202 S. 55Z excluded (27.2.2018) by The Financial Services and Markets Act 2000 (Benchmarks) Regulations 2018 (S.I. 2018/135), regs. 1(2), **30(8)**

C203 S. 55Z excluded (27.2.2018) by The Financial Services and Markets Act 2000 (Benchmarks) Regulations 2018 (S.I. 2018/135), regs. 1(2), **29(8)**

Notification

F314 55Z1 Notification of ESMA

. . . . . .

Textual Amendments

F314 Ss. 55Z1-55Z2A omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **23**; 2020 c. 1, Sch. 5 para. 1(1)

F314 55Z2 Notification of EBA

. . . . . .

Textual Amendments

F314 Ss. 55Z1-55Z2A omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **23**; 2020 c. 1, Sch. 5 para. 1(1)

F314 55Z2A Notification of the European bodies

. . . . . .

Textual Amendments

F314 Ss. 55Z1-55Z2A omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **23**; 2020 c. 1, Sch. 5 para. 1(1)

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References to the Tribunal

55Z3 Right to refer matters to the Tribunal

(1) An applicant who is aggrieved by the determination of an application made under this Part may refer the matter to the Tribunal.

(2) An authorised person who is aggrieved by the exercise by either regulator of its own-initiative variation power or its own-initiative requirement power may refer the matter to the Tribunal.

F315(2A) **[** An authorised person who is aggrieved by the exercise by the FCA of its power under section 55NA(5)(b) may refer the matter to the Tribunal.**]**

F316(3) **[** Where there is a review under section 55XA(3) of a determination within section 55XA(1), subsection (1) applies only in relation to the determination made on the review.**]**

Textual Amendments

F315 S. 55Z3(2A) inserted (6.9.2023 for specified purposes, 6.11.2023 for specified purposes, 7.2.2024 in so far as not already in force) by Financial Services and Markets Act 2023 (c. 29), s. 86(3), **Sch. 5 para. 12** (with s. 20(5)); S.I. 2023/936, reg. 2(1)(a)(b)(2)(b)(ii)(3)(4)

F316 S. 55Z3(3) inserted (27.2.2018) by The Financial Services and Markets Act 2000 (Benchmarks) Regulations 2018 (S.I. 2018/135), regs. 1(2), **40(11)**

Modifications etc. (not altering text)

C204 S. 55Z3 excluded (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No.2) Order 2013 (S.I. 2013/1881), arts. 1(2)(6), **34(3)**, 36(3), 38(4), 40(3), 42(3)

C205 S. 55Z3 applied (with modifications) (8.6.2023 for specified purposes, 7.10.2023 in so far as not already in force) by The Financial Services and Markets Act 2000 (Financial Promotion) (Amendment) Order 2023 (S.I. 2023/612), art. 1(2), **Sch. para. 7** (with art. 11)

C206 S. 55Z3(1) excluded (E.W.S.) (29.11.2018 for specified purposes, 1.4.2019 in so far as not already in force) by The Financial Services and Markets Act 2000 (Claims Management Activity) Order 2018 (S.I. 2018/1253), arts. 1(2)(3), **46(4)**

C207 S. 55Z3(1) excluded (E.W.S.) (29.11.2018 for specified purposes, 1.4.2019 in so far as not already in force) by The Financial Services and Markets Act 2000 (Claims Management Activity) Order 2018 (S.I. 2018/1253), arts. 1(2)(3), **42(3)**

C208 S. 55Z3(1) excluded (E.W.S.) (29.11.2018 for specified purposes, 1.4.2019 in so far as not already in force) by The Financial Services and Markets Act 2000 (Claims Management Activity) Order 2018 (S.I. 2018/1253), arts. 1(2)(3), **44(3)**

C209 S. 55Z3(2) applied by S.I. 2013/1773, reg. 22(4) (as substituted (16.6.2014) by The Alternative Investment Fund Managers Order 2014 (S.I. 2014/1292), arts. 1(2), **4(3)**)(as amended by S.I. 2014/1313, arts. 1, 2(a))

C210 S. 55Z3(2) applied by S.I. 2013/1773, reg. 75(8) (as added) (16.6.2014) by The Alternative Investment Fund Managers Order 2014 (S.I. 2014/1292), arts. 1(2), **4(7)(e)** (as amended by S.I. 2014/1313, arts. 1, 2(a))

C211 S. 55Z3(2) applied (20.4.2015 for specified purposes, 21.12.2015 for specified purposes, 21.3.2016 in so far as not already in force) by The Mortgage Credit Directive Order 2015 (S.I. 2015/910), arts. 1(5), **19(6)** (with Pt. 4)

Status: *This version of this Act contains provisions that are prospective.*
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Interpretation

55Z4 Interpretation of Part 4A

In this Part—

"own-initiative requirement power", in relation to the FCA or the PRA, is to be read in accordance with section 55L(4) or 55M(4);

"own-initiative variation power", in relation to the FCA or the PRA, is to be read in accordance with section 55J(12).**]**

Modifications etc. (not altering text)

C212 S. 55Z4 applied (8.6.2023 for specified purposes, 7.10.2023 in so far as not already in force) by The Financial Services and Markets Act 2000 (Financial Promotion) (Amendment) Order 2023 (S.I. 2023/612), art. 1(2), **Sch. para. 1(d)** (with art. 11)

PART V

PERFORMANCE OF REGULATED ACTIVITIES

Modifications etc. (not altering text)

C213 Pt. 5 modified (1.12.2001) by S.I. 2001/3592, **arts. 1(2)**, 114(3)(a), 128(3)(a) (with art. 23(2))

C214 Pt. 5 modified (7.11.2018) by The EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018 (S.I. 2018/1149), regs. 1(2), **23** (with regs. 4, 22, 26(1)(2)) (as amended (31.1.2020 immediately before exit day) by The Financial Services (Consequential Amendments) Regulations 2020 (S.I. 2020/56), regs. 1, **6(2)**)

C215 Pt. 5 modified by S.I. 2018/1149, reg. 69 (as inserted (1.3.2019) by The Financial Services Contracts (Transitional and Saving Provision) (EU Exit) Regulations 2019 (S.I. 2019/405), regs. 1(2), **4**)

Prohibition orders

56 Prohibition orders.

[F317(1) The FCA may make a prohibition order if it appears to it that an individual is not a fit and proper person to perform functions in relation to a regulated activity carried on by—

(a) an authorised person,

(b) a person who is an exempt person in relation to that activity, or

(c) a person to whom, as a result of Part 20, the general prohibition does not apply in relation to that activity.

(1A) The PRA may make a prohibition order if it appears to it that an individual is not a fit and proper person to perform functions in relation to a regulated activity carried on by—

(a) a PRA-authorised person, or

(b) a person who is an exempt person in relation to a PRA-regulated activity carried on by the person.**]**

Status: *This version of this Act contains provisions that are prospective.*
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(2) **[**F318A "prohibition order" is an order**]** prohibiting the individual from performing a specified function, any function falling within a specified description or any function.

(3) A prohibition order may relate to—

(a) a specified regulated activity, any regulated activity falling within a specified description or all regulated activities;

[F319(b) all persons falling within subsection (3A) or a particular paragraph of that subsection or all persons within a specified class of person falling within a particular paragraph of that subsection.**]**

[F320(3A) A person falls within this subsection if the person is—

(a) an authorised person,

(b) an exempt person, or

(c) a person to whom, as a result of Part 20, the general prohibition does not apply in relation to a regulated activity.**]**

(4) An individual who performs or agrees to perform a function in breach of a prohibition order is guilty of an offence and liable on summary conviction to a fine not exceeding level 5 on the standard scale.

(5) In proceedings for an offence under subsection (4) it is a defence for the accused to show that he took all reasonable precautions and exercised all due diligence to avoid committing the offence.

(6) **[**F321A person falling within subsection (3A)**]** must take reasonable care to ensure that no function of his, in relation to the carrying on of a regulated activity, is performed by a person who is prohibited from performing that function by a prohibition order.

(7) **[**F322The regulator that has made a prohibition order**]** may, on the application of the individual named in **[**F323the order**]**, vary or revoke it.

[F324(7A) If—

(a) the FCA proposes to vary or revoke a prohibition order, and

(b) as a result of the proposed variation or revocation, an individual—

(i) will no longer be prohibited from performing a function of interest to the PRA, or

(ii) will be prohibited from performing such a function,

the FCA must consult the PRA before varying or revoking the order.

(7B) A function is of interest to the PRA if it is performed in relation to a regulated activity carried on by—

(a) a PRA-authorised person, or

(b) a person who is an exempt person in relation to a PRA-regulated activity carried on by the person.

(7C) The PRA must consult the FCA before varying or revoking a prohibition order.**]**

[F325(7D) If—

(a) the FCA proposes to vary or revoke a prohibition order which makes provision in relation to a recognised body, and

(b) the FCA is not the appropriate regulator in relation to recognised bodies of that type,

the FCA must consult the appropriate regulator.

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(7E) If the PRA proposes to vary or revoke a prohibition order which makes provision in relation to a recognised body, the PRA must consult the appropriate regulator in relation to recognised bodies of that type.**]**

F326(8) . . . . . .

[F327(9) In this section—

"the appropriate regulator", in relation to a recognised body, has the meaning given by section 285A;

"recognised body" has the meaning given by section 313;

"specified" means specified in the prohibition order.**]**

Textual Amendments

F317 S. 56(1)(1A) substituted for s. 56(1) (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 13(2)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F318 Words in s. 56(2) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 13(3)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F319 S. 56(3)(b) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 13(4)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F320 S. 56(3A) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 13(5)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F321 Words in s. 56(6) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 13(6)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F322 Words in s. 56(7) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 13(7)(a)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F323 Words in s. 56(7) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 13(7)(b)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F324 S. 56(7A)-(7C) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 13(8)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F325 S. 56(7D)(7E) inserted (29.6.2023 for specified purposes) by Financial Services and Markets Act 2023 (c. 29), s. 86(1)(e), **Sch. 10 para. 3(2)**

F326 S. 56(8) omitted (1.4.2013) by virtue of Financial Services Act 2012 (c. 21), **ss. 13(9)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F327 S. 56(9) substituted (29.6.2023 for specified purposes) by Financial Services and Markets Act 2023 (c. 29), s. 86(1)(e), **Sch. 10 para. 3(3)**

Modifications etc. (not altering text)

C216 S. 56 amended (*temp.* from 3.9.2001 to 1.12.2001) by S.I. 2001/2659, **arts. 1(2)**, 3(3); S.I. 2001/3538, **art. 2(1)**
S. 56 modified (*temp.* from 31.10.2001) by S.I. 2001/3374, **arts. 1**, 11
S. 56 extended (1.12.2001) by S.I. 2001/2636, **arts. 1(2)(b)**, 79(1); S.I. 2001/3538, **art. 2(1)**

C217 Ss. 56, 60 modified (temp.) (8.4.2002) by The Financial Services and Markets Act 2000 (Permission and Applications) (Credit Unions etc.) Order 2002 (S.I. 2002/704), **art. 7**

C218 Ss. 56-58 applied (with modifications) (31.12.2011) by The Financial Services and Markets Act 2000 (Permissions, Transitional Provisions and Consequential Amendments) (Northern Ireland Credit Unions) Order 2011 (S.I. 2011/2832), **art. 8**

C219 S. 56(7) extended (1.12.2001) by S.I. 2001/3592, **arts. 1(2)**, 55(5) (with art. 23(2))

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Commencement Information

I5 S. 56 wholly in force at 1.12.2001; s. 56 not in force at Royal Assent see s. 431(2); s. 56 in force for specified purposes at 3.9.2001 by S.I. 2001/2632, art. 2(2), **Sch. Pt. 2**; s. 56 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**

57 Prohibition orders: procedure and right to refer to Tribunal.

(1) If **[**[F328]a regulator**]** proposes to make a prohibition order it must give the individual concerned a warning notice.

(2) The warning notice must set out the terms of the prohibition.

(3) If **[**[F329]a regulator**]** decides to make a prohibition order it must give the individual concerned a decision notice.

(4) The decision notice must—

(a) name the individual to whom the prohibition order applies;

(b) set out the terms of the order; and

(c) be given to the individual named in the order.

(5) A person against whom a decision to make a prohibition order is made may refer the matter to the Tribunal.

[[F330](6) If—

(a) the FCA proposes to make a prohibition order, and

(b) as a result of the proposed order, an individual will be prohibited from performing a function of interest to the PRA,

the FCA must consult the PRA before giving a warning notice under this section.

(7) A function is of interest to the PRA if it is performed in relation to a regulated activity carried on by—

(a) a PRA-authorised person, or

(b) a person who is an exempt person in relation to a PRA-regulated activity carried on by the person.

(8) The PRA must consult the FCA before giving a warning notice under this section.**]**

[[F331](9) If—

(a) the FCA proposes to make a prohibition order which makes provision in relation to a recognised body, and

(b) the FCA is not the appropriate regulator in relation to recognised bodies of that type,

the FCA must consult the appropriate regulator before giving a warning notice under this section.

(10) If the PRA proposes to make a prohibition order which makes provision in relation to a recognised body, the PRA must consult the appropriate regulator in relation to recognised bodies of that type before giving a warning notice under this section.

(11) In this section—

"the appropriate regulator", in relation to a recognised body, has the meaning given by section 285A;

"recognised body" has the meaning given by section 313;**]**

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Textual Amendments

F328 Words in s. 57(1) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 13(11)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F329 Words in s. 57(3) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 13(11)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F330 S. 57(6)-(8) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 13(12)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F331 S. 57(9)-(11) inserted (29.6.2023 for specified purposes) by Financial Services and Markets Act 2023 (c. 29), s. 86(1)(e), **Sch. 10 para. 4(2)**

Modifications etc. (not altering text)

C220 S. 57 excluded (1.12.2001) by S.I. 2001/3592, **arts. 1(2)**, 110(3) (with art. 23(2))

C221 Ss. 56-58 applied (with modifications) (31.12.2011) by The Financial Services and Markets Act 2000 (Permissions, Transitional Provisions and Consequential Amendments) (Northern Ireland Credit Unions) Order 2011 (S.I. 2011/2832), **art. 8**

C222 S. 57 applied (with modifications) (13.7.2016) by The Financial Services and Markets Act 2000 (Transparency of Securities Financing Transactions and of Reuse) Regulations 2016 (S.I. 2016/715), regs. 1(2), **12(1)**

C223 S. 57(1) extended (1.12.2001) by S.I. 2001/3592, **arts. 1(2)**, 55(1) (with art. 23(2))

Commencement Information

I6 S. 57 wholly in force at 1.12.2001; s. 57 not in force at Royal Assent see s. 431(2); s. 57 in force for specified purposes at 3.9.2001 by S.I. 2001/2632, art. 2(2), **Sch. Pt. 2**; s. 57 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**

58 Applications relating to prohibitions: procedure and right to refer to Tribunal.

(1) This section applies to an application for the variation or revocation of a prohibition order.

(2) If the **[**F332appropriate regulator**]** decides to grant the application, it must give the applicant written notice of its decision.

(3) If the **[**F332appropriate regulator**]** proposes to refuse the application, it must give the applicant a warning notice.

(4) If the **[**F332appropriate regulator**]** decides to refuse the application, it must give the applicant a decision notice.

(5) If the **[**F332appropriate regulator**]** gives the applicant a decision notice, he may refer the matter to the Tribunal.

[F333(6) The appropriate regulator" means the regulator to which the application is made.**]**

Textual Amendments

F332 Words in s. 58(2)-(5) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 5 para. 2(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F333 S. 58(6) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 5 para. 2(3)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

Status: *This version of this Act contains provisions that are prospective.*
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Modifications etc. (not altering text)

C224 S. 58 excluded (1.12.2001) by S.I. 2001/3592, **arts. 1(2)**, 110(3) (with art. 23(2))

C225 Ss. 56-58 applied (with modifications) (31.12.2011) by The Financial Services and Markets Act 2000 (Permissions, Transitional Provisions and Consequential Amendments) (Northern Ireland Credit Unions) Order 2011 (S.I. 2011/2832), **art. 8**

C226 S. 58 applied (13.7.2016) by The Financial Services and Markets Act 2000 (Transparency of Securities Financing Transactions and of Reuse) Regulations 2016 (S.I. 2016/715), regs. 1(2), **12(2)**

Commencement Information

I7 S. 58 wholly in force at 1.12.2001; s. 58 not in force at Royal Assent see s. 431(2); s. 58 in force for specified purposes at 3.9.2001 by S.I. 2001/2632, art. 2(2), **Sch. Pt. 2**; s. 58 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**

Approval

59 Approval for particular arrangements.

(1) An authorised person ("A") must take reasonable care to ensure that no person performs a controlled function under an arrangement entered into by A in relation to the carrying on by A of a regulated activity, unless **[**F334that person is acting in accordance with an approval given by the appropriate regulator under this section.**]**

(2) An authorised person ("A") must take reasonable care to ensure that no person performs a controlled function under an arrangement entered into by a contractor of A in relation to the carrying on by A of a regulated activity, unless **[**F335that person is acting in accordance with an approval given by the appropriate regulator under this section.**]**

[F336(3) "Controlled function"—

(a) in relation to the carrying on of a regulated activity by a PRA-authorised person, means a function of a description specified in rules made by the FCA or the PRA, and

(b) in relation to the carrying on of a regulated activity by any other authorised person, means a function of a description specified in rules made by the FCA.

(4) "The appropriate regulator"—

(a) in relation to a controlled function which is of a description specified in rules made by the FCA, means the FCA, and

(b) in relation to a controlled function which is of a description specified in rules made by the PRA, means the PRA with the consent of the FCA.

F337(5) . . . . . .

[F338(6) The PRA may specify a description of function under subsection (3)(a) only if, in relation to the carrying on of a regulated activity by a PRA-authorised person, it is satisfied that the function is a senior management function as defined in section 59ZA.**]**

[F339(6A) If the FCA is satisfied that a function of a description specified in rules made by the FCA under subsection (3)(a) or (b) is a senior management function as defined in section 59ZA, the FCA must designate the function in the rules as a senior management function.**]**

F340(6B) . . . . . .

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F340(6C) . . . . . .

F341(7) . . . . . .

F341(7A) . . . . . .

F341(7B) . . . . . .]

[F342(7C) A regulator may not exercise the power in subsection (3) so as to provide for a function to be a controlled function in relation to the carrying on of the regulated activity of managing an AIF by an AIFM which—

(a) is also an AIF;

(b) does not manage any AIF other than itself;

(c) is a body corporate; and

(d) is not a collective investment scheme.]

F343(8) . . . . . .

F344(9) . . . . . .

(10) "Arrangement"—

(a) means any kind of arrangement for the performance of a function of A which is entered into by A or any contractor of his with another person; and

(b) includes, in particular, that other person's appointment to an office, his becoming a partner or his employment (whether under a contract of service or otherwise).

F345(11) . . . . . .

Textual Amendments

F334 Words in s. 59(1) substituted (7.3.2016) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 3 para. 1(2)**; S.I. 2015/490, art. 2(1)(b) (with savings and transitional provisions in S.I. 2015/492 (as amended by S.I. 2015/1660))

F335 Words in s. 59(2) substituted (7.3.2016) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 3 para. 1(3)**; S.I. 2015/490, art. 2(1)(b) (with savings and transitional provisions in S.I. 2015/492 (as amended by S.I. 2015/1660))

F336 S. 59(3)-(7B) substituted for s. 59(3)-(7) (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 14(1)(b)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F337 S. 59(5) omitted (25.7.2014 for specified purposes, 7.3.2016 in so far as not already in force) by virtue of Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 18(2)**, 148(5); S.I. 2014/1819, art. 2(2)(a); S.I. 2015/490, art. 2(1)(b) (with savings and transitional provisions in S.I. 2015/492 (as amended by S.I. 2015/1660))

F338 S. 59(6) substituted (25.7.2014 for specified purposes, 7.3.2016 in so far as not already in force) by Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 18(3)**, 148(5); S.I. 2014/1819, art. 2(2)(a); S.I. 2015/490, art. 2(1)(b) (with savings and transitional provisions in S.I. 2015/492 (as amended by S.I. 2015/1660))

F339 S. 59(6A) substituted (13.9.2018 for specified purposes, 10.12.2018 for specified purposes, 18.7.2019 for specified purposes, 9.8.2019 for specified purposes, 9.12.2019 for specified purposes, 7.12.2020 in so far as not already in force) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 4 para. 2(2)**; S.I. 2018/990, reg. 2(1)(2)(3) (with regs. 3-6); S.I. 2019/1136, reg. 2(2)(3)(4)(5) (with regs. 3-5, 4, 5, 7)

F340 S. 59(6B)(6C) omitted (13.9.2018 for specified purposes, 10.12.2018 for specified purposes, 18.7.2019 for specified purposes, 9.8.2019 for specified purposes, 9.12.2019 for specified purposes, 7.12.2020

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in so far as not already in force) by virtue of Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 4 para. 2(3)**; S.I. 2018/990, reg. 2(1)(2)(3) (with regs. 3-6); S.I. 2019/1136, reg. 2(2)(3)(4)(5) (with regs. 3-5, 4, 5, 7)

F341 S. 59(7)-(7B) omitted (25.7.2014 for specified purposes, 7.3.2016 in so far as not already in force) by virtue of Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 18(5)**, 148(5); S.I. 2014/1819, art. 2(2)(a); S.I. 2015/490, art. 2(1)(b) (with savings and transitional provisions in S.I. 2015/492 (as amended by S.I. 2015/1660))

F342 S. 59(7C) inserted (22.7.2013) by The Alternative Investment Fund Managers Regulations 2013 (S.I. 2013/1773), reg. 1, **Sch. 1 para. 7**

F343 S. 59(8) omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **25**; 2020 c. 1, Sch. 5 para. 1(1)

F344 S. 59(9) omitted (1.4.2013) by virtue of Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 5 para. 3** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F345 S. 59(11) omitted (25.7.2014 for specified purposes, 7.3.2016 in so far as not already in force) by virtue of Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 18(5)**, 148(5); S.I. 2014/1819, art. 2(2)(a); S.I. 2015/490, art. 2(1)(b) (with savings and transitional provisions in S.I. 2015/492 (as amended by S.I. 2015/1660))

Modifications etc. (not altering text)

C227 S. 59 extended (1.12.2001) by S.I. 2001/2636, **arts. 1(2)(b)**, 74(2), 76(2); S.I. 2001/3538, **art. 2(1)**
S. 59 extended (1.12.2001) by S.I. 2001/3592, **arts. 1(2)**, 49(1) (with art. 23(2))

C228 S. 59 modified (29.9.2008 at 8.00 a.m.) by The Bradford & Bingley plc Transfer of Securities and Property etc. Order 2008 (S.I. 2008/2546), **art. 15(1)**

C229 S. 59 modified (1.7.2009 for certain purposes, otherwise 30.6.2010) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2009 (S.I. 2009/1342), **arts. 1(2)**, 34, {Sch. paras. 1, 3}

C230 S. 59 modified (1.1.2010) by The Northern Rock plc Transfer Order 2009 (S.I. 2009/3226), arts. 1(2)(b), **10**

C231 S. 59(1) extended (1.12.2001) by S.I. 2001/2636, **arts. 1(2)(b)**, 75(2); S.I. 2001/3538, **art. 2(1)**

Commencement Information

I8 S. 59 wholly in force at 1.12.2001; s. 59 not in force at Royal Assent see s. 431(2); s. 59 in force for specified purposes at 18.6.2001 by S.I. 2001/1820, art. 2, **Sch.**; s. 59 in force for specified purposes at 3.9.2001 by S.I. 2001/2632, art. 2(2), **Sch. Pt. 2**; s. 59 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**

[F346 59ZA Senior management functions

(1) This section has effect for determining whether a function is for the purposes of section 59(6) or (6A) a senior management function.

(2) A function is a "senior management function", in relation to the carrying on of a regulated activity by an authorised person, if—

(a) the function will require the person performing it to be responsible for managing one or more aspects of the authorised person's affairs, so far as relating to the activity, and

(b) those aspects involve, or might involve, a risk of serious consequences—

(i) for the authorised person, or

(ii) for business or other interests in the United Kingdom.

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(3) In subsection (2)(a) the reference to managing one or more aspects of an authorised person's affairs includes a reference to taking decisions, or participating in the taking of decisions, about how one or more aspects of those affairs should be carried on.**]**

Textual Amendments

F346 S. 59ZA inserted (25.7.2014) by Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 19**, 148(5); S.I. 2014/1819, art. 2(1)(a)

[F347 59ZB Designated senior management functions

For the purposes of this Part the following are "designated senior management functions"—

(a) a function of a description specified in rules made by the FCA under section 59(3)(a) or (b) which is designated as a senior management function by the FCA under section 59(6A);

(b) a function of a description specified in rules made by the PRA under section 59(3)(a).**]**

Textual Amendments

F347 S. 59ZB inserted (13.9.2018 for specified purposes, 10.12.2018 for specified purposes, 18.7.2019 for specified purposes, 9.8.2019 for specified purposes, 9.12.2019 for specified purposes, 7.12.2020 in so far as not already in force) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 4 para. 3**; S.I. 2018/990, **reg. 2(1)(2)(3)** (with regs. 3-6); S.I. 2019/1136, **reg. 2(2)(3)(4)(5)** (with regs. 3-5, 7)

[F348 59A Specifying functions as controlled functions: supplementary

(1) The FCA must—

(a) keep under review the exercise of its power under section 59(3)(a) to specify any **[**F349 senior management**]** function as a controlled function, and

(b) exercise that power in a way that it considers will minimise the likelihood that approvals fall to be given by both the FCA and the PRA in respect of the performance by a person of **[**F349 senior management**]** functions in relation to the carrying on of a regulated activity by the same PRA-authorised person.

(2) The FCA and the PRA must each consult the other before exercising any power under section 59(3)(a).

(3) Any reference in this section to the exercise of a power includes its exercise by way of amendment or revocation of provision previously made in the exercise of the power.

F350 (3A) **[** "Senior management function" has the meaning given by section 59ZA.**]**

(4) "Approval" means an approval under section 59.

(5) Any expression which is used both in this section and section 59 has the same meaning in this section as in that section.

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Textual Amendments

F348 Ss. 59A, 59B inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), **ss. 14(2)**, 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F349 Words in s. 59A(1)(a)(b) substituted (25.7.2014 for specified purposes, 7.3.2016 in so far as not already in force) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 3 para. 2(2)**; S.I. 2014/1819, art. 2(4)(a); S.I. 2015/490, art. 2(1)(b) (with savings and transitional provisions in S.I. 2015/492 (as amended by S.I. 2015/1660))

F350 S. 59A(3A) inserted (25.7.2014 for specified purposes, 7.3.2016 in so far as not already in force) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 3 para. 2(3)**; S.I. 2014/1819, art. 2(4)(a); S.I. 2015/490, art. 2(1)(b) (with savings and transitional provisions in S.I. 2015/492 (as amended by S.I. 2015/1660))

[F351 59AB Specifying functions as controlled functions: transitional provision

(1) In relation to rules made by the FCA or the PRA under section 59, the power conferred by section 137T(c) to make transitional provision includes in particular power—

(a) to provide for anything done under this Part **[**[F352]or Chapter 2A of Part 18**]** in relation to controlled functions of a particular description to be treated as having been done in relation to controlled functions of a different description;

(b) to provide for anything done under this Part **[**[F352]or Chapter 2A of Part 18**]** (including any application or order made, any requirement imposed and any approval or notice given) to cease to have effect, to continue to have effect, or to continue to have effect with modifications, or subject to time limits or conditions;

(c) to provide for rules made by the regulator making the rules under section 59 to apply with modifications;

(d) to make saving provision.

(2) The Treasury may by regulations make whatever incidental, consequential, transitional, supplemental or saving provision the Treasury consider appropriate in connection with the making of rules by the FCA or the PRA under section 59.

(3) Regulations under subsection (2) may—

(a) confer functions on the FCA or the PRA (including the function of making rules);

(b) modify, exclude or apply (with or without modifications) any primary or subordinate legislation (including any provision of, or made under, this Act).**]**

Textual Amendments

F348 Ss. 59A, 59B inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), **ss. 14(2)**, 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F351 S. 59AB inserted (6.7.2016) by Bank of England and Financial Services Act 2016 (c. 14), **ss. 22(2)**, 41(3); S.I. 2016/627, reg. 2(1)(p)

F352 Words in s. 59AB(1) inserted (29.6.2023 for specified purposes) by Financial Services and Markets Act 2023 (c. 29), s. 86(1)(e), **Sch. 10 para. 5**

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59B Role of FCA in relation to PRA decisions

(1) The FCA may arrange with the PRA that in such cases as may be described in the arrangements the PRA may give approval under section 59 without obtaining the consent of the FCA.

(2) Arrangements under this section must be in writing, and must specify the date on which they come into force.

(3) The regulators must publish any arrangements under this section in such manner as they think fit.

(4) Section 59(4)(b) has effect subject to any arrangements in force under this section.**]**

Textual Amendments

F348 Ss. 59A, 59B inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), **ss. 14(2)**, 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

60 Applications for approval.

(1) An application for the **[**F353appropriate regulator's**]** approval under section 59 may be made by the authorised person concerned.

(2) The application must—

(a) be made in such manner as the **[**F353appropriate regulator**]** may direct; and

(b) contain, or be accompanied by, such information as the **[**F353appropriate regulator**]** may reasonably require.

[F354(2A) If—

(a) the application is for the approval of a person to perform a designated senior management function, F355...

F356(b) . . . . . .

the appropriate regulator must require the application to contain, or be accompanied by, a statement setting out the aspects of the affairs of the authorised person concerned which it is intended that the person will be responsible for managing in performing the function.

(2B) A statement provided under subsection (2A) is known as a "statement of responsibilities".

F357(2C) . . . . . .**]**

[F358(3) At any time after the application is received and before it is determined, the appropriate regulator may require the applicant to provide it with such further information as it reasonably considers necessary to enable it to determine the application or, as the case requires, to decide whether to give consent.**]**

(4) The **[**F353appropriate regulator**]** may require an applicant to present information which he is required to give under this section in such form, or to verify it in such a way, as the **[**F353appropriate regulator**]** may direct.

(5) Different directions may be given, and different requirements imposed, in relation to different applications or categories of application.

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(6) "The authorised person concerned" includes a person who has applied for permission under **[**F359Part 4A**]** and will be the authorised person concerned if permission is given.

F360(6A) . . . . . .

[F361(7) The PRA must consult the FCA before—

(a) giving a direction under subsection (2)(a) in relation to a class of applicants, or

(b) imposing a requirement under subsection (2)(b) on a class of applicants.

(8) The PRA must as soon as practicable notify the FCA of the receipt or withdrawal of an application to the PRA, unless the case is one in which by virtue of arrangements under section 59B the consent of the FCA is not required.

(9) "The appropriate regulator"—

(a) in relation to a controlled function which is of a description specified in rules made by the FCA, means the FCA;

(b) in relation to a controlled function which is of a description specified in rules made by the PRA, means the PRA, and for the purposes of subsection (3) also includes the FCA in cases where the consent of the FCA is required.**]**

Textual Amendments

F353 Words in s. 60 substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 5 para. 4(1)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F354 S. 60(2A)-(2C) inserted (25.7.2014 for specified purposes, 7.3.2016 in so far as not already in force) by Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 20(2)**, 148(5); S.I. 2014/1819, art. 2(3); S.I. 2015/490, art. 2(1)(b) (with savings and transitional provisions in S.I. 2015/492 (as amended by S.I. 2015/1660))

F355 Word in s. 60(2A)(a) omitted (13.9.2018 for specified purposes, 10.12.2018 for specified purposes, 18.7.2019 for specified purposes, 9.8.2019 for specified purposes, 9.12.2019 for specified purposes, 7.12.2020 in so far as not already in force) by virtue of Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 4 para. 4(2)(a)**; S.I. 2018/990, reg. 2(1)(2)(3) (with regs. 3-6); S.I. 2019/1136, reg. 2(2)(3)(4)(5) (with regs. 3-5, 7)

F356 S. 60(2A)(b) omitted (13.9.2018 for specified purposes, 10.12.2018 for specified purposes, 18.7.2019 for specified purposes, 9.8.2019 for specified purposes, 9.12.2019 for specified purposes, 7.12.2020 in so far as not already in force) by virtue of Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 4 para. 4(2)(b)**; S.I. 2018/990, reg. 2(1)(2)(3) (with regs. 3-6); S.I. 2019/1136, reg. 2(2)(3)(4)(5) (with regs. 3-5, 7)

F357 S. 60(2C) omitted (13.9.2018 for specified purposes, 10.12.2018 for specified purposes, 18.7.2019 for specified purposes, 9.8.2019 for specified purposes, 9.12.2019 for specified purposes, 7.12.2020 in so far as not already in force) by virtue of Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 4 para. 4(3)**; S.I. 2018/990, reg. 2(1)(2)(3) (with regs. 3-6); S.I. 2019/1136, reg. 2(2)(3)(4)(5) (with regs. 3-5, 7)

F358 S. 60(3) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 5 para. 4(2)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F359 Words in s. 60(6) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 5 para. 4(3)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F360 S. 60(6A) omitted (13.9.2018 for specified purposes, 10.12.2018 for specified purposes, 18.7.2019 for specified purposes, 9.8.2019 for specified purposes, 9.12.2019 for specified purposes, 7.12.2020 in so far as not already in force) by virtue of Bank of England and Financial Services Act 2016

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(c. 14), s. 41(3), **Sch. 4 para. 4(4)**; S.I. 2018/990, reg. 2(1)(2)(3) (with regs. 3-6); S.I. 2019/1136, reg. 2(2)(3)(4)(5) (with regs. 3-5, 7)

F361 S. 60(7)-(9) inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 5 para. 4(4)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

Modifications etc. (not altering text)

C232 S. 60 amended (*temp.* from 3.9.2001 to 1.12.2001) by S.I. 2001/2659, **arts. 1(2)**, 3(3); S.I. 2001/3538, **art. 2(1)**
S. 60 modified (*temp.* from 31.10.2001) by S.I. 2001/3374, **arts. 1**, 11
S. 60: "the authorised person concerned" extended (1.12.2001) by S.I. 2001/2511, **regs. 1(1)**, 10; S.I. 2001/3538, **art. 2(1)**
S. 60 extended (1.12.2001) by S.I. 2001/3592, **arts. 1(2)**, 50(1), 51(1), 53(1) (with art. 23(2))

C233 Ss. 56, 60 modified (temp.) (8.4.2002) by The Financial Services and Markets Act 2000 (Permission and Applications) (Credit Unions etc.) Order 2002 (S.I. 2002/704), **art. 7**

C234 S. 60 modified (1.7.2009 for certain purposes, otherwise 30.6.2010) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2009 (S.I. 2009/1342), **arts. 1(2)**, 34, {Sch. paras. 1, 3}

C235 Ss. 60-63 applied (with modifications) (31.12.2011) by The Financial Services and Markets Act 2000 (Permissions, Transitional Provisions and Consequential Amendments) (Northern Ireland Credit Unions) Order 2011 (S.I. 2011/2832), **art. 8**

C236 S. 60(4)(5) applied (with modifications) (9.12.2019 in relation to a solo-regulated firm other than a benchmark firm or 7.12.2020 in relation to a benchmark firm) by The Bank of England and Financial Services Act 2016 (Commencement No. 6 and Transitional Provisions) Regulations 2019 (S.I. 2019/1136), **reg. 5(7)(8)**

C237 S. 60(3) extended (1.12.2001) by S.I. 2001/3592, **arts. 1(2)**, 50(5) (with art. 23(2))

Commencement Information

I9 S. 60 wholly in force at 1.12.2001; s. 60 not in force at Royal Assent see s. 431(2); s. 60(2)(4) in force for specified purposes at 18.6.2001 by S.I. 2001/1820, art. 2, **Sch.**; s. 60 in force for specified purposes at 3.9.2001 by S.I. 2001/2632, art. 2(2), **Sch. Pt. 2**; s. 60 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**

[F362 60A Vetting of candidates by F363... authorised persons

(1) Before [F364an] authorised person may make an application for a regulator's approval under section 59, the authorised person must be satisfied that the person in respect of whom the application is made ("the candidate") is a fit and proper person to perform the function to which the application relates.

(2) In deciding that question, the authorised person must have regard, in particular, to whether the candidate, or any person who may perform a function on the candidate's behalf—

(a) has obtained a qualification,

(b) has undergone, or is undergoing, training,

(c) possesses a level of competence, or

(d) has the personal characteristics,

required by general rules made by the regulator in relation to persons performing functions of the kind to which the application relates.

F365(3) . . . . . .]

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Textual Amendments

F362 S. 60A inserted (7.3.2016) by Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 21**, 148(5); S.I. 2015/490, art. 2(1)(c) (with savings and transitional provisions in S.I. 2015/492 (as amended by S.I. 2015/1660))

F363 Word in s. 60A heading omitted (13.9.2018 for specified purposes, 10.12.2018 for specified purposes, 18.7.2019 for specified purposes, 9.8.2019 for specified purposes, 9.12.2019 for specified purposes, 7.12.2020 in so far as not already in force) by virtue of Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 4 para. 5(2)**; S.I. 2018/990, reg. 2(1)(2)(3) (with regs. 3-6); S.I. 2019/1136, reg. 2(2)(3)(4)(5) (with regs. 3-5, 5, 7)

F364 Word in s. 60A(1) substituted (13.9.2018 for specified purposes, 10.12.2018 for specified purposes, 18.7.2019 for specified purposes, 9.8.2019 for specified purposes, 9.12.2019 for specified purposes, 7.12.2020 in so far as not already in force) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 4 para. 5(3)**; S.I. 2018/990, reg. 2(1)(2)(3) (with regs. 3-6); S.I. 2019/1136, reg. 2(2)(3)(4)(5) (with regs. 3-5, 7)

F365 S. 60A(3) omitted (13.9.2018 for specified purposes, 10.12.2018 for specified purposes, 18.7.2019 for specified purposes, 9.8.2019 for specified purposes, 9.12.2019 for specified purposes, 7.12.2020 in so far as not already in force) by virtue of Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 4 para. 5(4)**; S.I. 2018/990, reg. 2(1)(2)(3) (with regs. 3-6); S.I. 2019/1136, reg. 2(2)(3)(4)(5) (with regs. 3-5, 7)

61 Determination of applications.

[F366(1) The regulator to which an application for approval is made under section 60 may grant the application only if—

(a) it is satisfied that the person in respect of whom the application is made ("the candidate") is a fit and proper person to perform the function to which the application relates, or

(b) in a case where the application is for approval to perform a designated senior management function F367... **[**F368(a "senior**]** management application"), it is satisfied that the condition in paragraph (a) will be met if the application is granted subject to one or more conditions (as to which, see subsection (2B)).**]**

(2) In **[**F369determining the application**]**, **[**F370the regulator**]** may have regard (among other things) to whether the candidate, or any person who may perform a function on his behalf—

(a) has obtained a qualification,

(b) has undergone, or is undergoing, training, F371...

(c) possesses a level of competence, **[**F372or

(d) has the personal characteristics,**]**

required by general rules **[**F373made by that regulator**]** in relation to persons performing functions of the kind to which the application relates.

[F374(2A) Subsections (1) and (2) apply in relation to the giving by the FCA of any required consent as they apply in relation to the grant of the application.**]**

[F375(2B) The regulator to which a F376... senior management application is made under section 60 may in particular—

(a) grant the application subject to any conditions that the regulator considers appropriate, and

(b) grant the application so as to give approval only for a limited period.

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(2C) A regulator may exercise the power under paragraph (a) or (b) of subsection (2B) only if—

(a) where the regulator is the FCA, it appears to the FCA that it is desirable to do so in order to advance one or more of its operational objectives, and

(b) where the regulator is the PRA, it appears to the PRA that it is desirable to do so in order to advance any of its objectives.

(2D) Consent given by the FCA for the granting of the application may be conditional on the manner in which the PRA exercises its power under subsection (2B).**]**

(3) **[**F377The regulator to which an application is made under section 60 must, before the end of the period for consideration, determine**]** whether—

(a) to grant the application; or

(b) to give a warning notice under section 62(2).

[F378(3ZA) In the case of a F379... senior management application, the reference in subsection (3)(a) to granting the application is a reference to granting it without imposing conditions or limiting the period for which the approval has effect.**]**

[F380(3A) The period for consideration"—

(a) in any case where the application under section 60 is made by a person applying for permission under Part 4A (see section 60(6)), means whichever ends last of—

(i) the period within which the application for that permission must be determined under section 55V(1) or (2), and

(ii) the period of 3 months beginning with the date on which the regulator receives the application under section 60, and

(b) in any other case, means the period of 3 months beginning with the date on which the regulator receives the application under section 60.**]**

(4) If **[**F381a regulator**]** imposes a requirement under section 60(3), the period for consideration stops running on the day on which the requirement is imposed but starts running again—

(a) on the day on which the required information is received by **[**F381a regulator**]**; or

(b) if the information is not provided on a single day, on the last of the days on which it is received by **[**F381a regulator**]**.

(5) A person who makes an application under section 60 may withdraw his application by giving written notice to the **[**F382regulator to which the application was made**]** at any time before the **[**F383regulator**]** determines it, but only with the consent of—

(a) the candidate; and

(b) the person by whom the candidate is to be retained to perform the function concerned, if not the applicant.

F384(6) . . . . . .

F384(7) . . . . . .

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Textual Amendments

F366 S. 61(1) substituted (7.3.2016) by Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 23(2)**, 148(5); S.I. 2015/490, art. 2(1)(c) (with savings and transitional provisions in S.I. 2015/492 (as amended by S.I. 2015/1660))

F367 Words in s. 61(1)(b) omitted (13.9.2018 for specified purposes, 10.12.2018 for specified purposes, 18.7.2019 for specified purposes, 9.8.2019 for specified purposes, 9.12.2019 for specified purposes, 7.12.2020 in so far as not already in force) by virtue of Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 4 para. 6(2)**; S.I. 2018/990, reg. 2(1)(2)(3) (with regs. 3-6); S.I. 2019/1136, reg. 2(2)(3)(4)(5) (with regs. 3-5, 7)

F368 Words in s. 61(1)(b) inserted (13.9.2018 for specified purposes, 10.12.2018 for specified purposes, 18.7.2019 for specified purposes, 9.8.2019 for specified purposes, 9.12.2019 for specified purposes, 7.12.2020 in so far as not already in force) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 4 para. 6(2)**; S.I. 2018/990, reg. 2(1)(2)(3) (with regs. 3-6); S.I. 2019/1136, reg. 2(2)(3)(4)(5) (with regs. 3-5, 7)

F369 Words in s. 61(2) substituted (7.3.2016) by Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 23(3)**, 148(5); S.I. 2015/490, art. 2(1)(c) (with savings and transitional provisions in S.I. 2015/492 (as amended by S.I. 2015/1660))

F370 Words in s. 61(2) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 5 para. 5(3)(a)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F371 Word in s. 61(2)(b) omitted (7.3.2016) by virtue of Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 22(a)**, 148(5); S.I. 2015/490, art. 2(1)(c) (with savings and transitional provisions in S.I. 2015/492 (as amended by S.I. 2015/1660))

F372 S. 61(2)(d) and word inserted (7.3.2016) by Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 22(b)**, 148(5); S.I. 2015/490, art. 2(1)(c) (with savings and transitional provisions in S.I. 2015/492 (as amended by S.I. 2015/1660))

F373 Words in s. 61(2) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 5 para. 5(3)(b)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F374 S. 61(2A) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 5 para. 5(4)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F375 S. 61(2B)-(2D) inserted (7.3.2016) by Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 23(4)**, 148(5); S.I. 2015/490, art. 2(1)(c) (with savings and transitional provisions in S.I. 2015/492 (as amended by S.I. 2015/1660))

F376 Word in s. 61(2B) omitted (13.9.2018 for specified purposes, 10.12.2018 for specified purposes, 18.7.2019 for specified purposes, 9.8.2019 for specified purposes, 9.12.2019 for specified purposes, 7.12.2020 in so far as not already in force) by virtue of Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 4 para. 6(3)**; S.I. 2018/990, reg. 2(1)(2)(3) (with regs. 3-6); S.I. 2019/1136, reg. 2(2)(3)(4)(5) (with regs. 3-5, 7)

F377 Words in s. 61(3) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 5 para. 5(5)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F378 S. 61(3ZA) inserted (7.3.2016) by Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 23(5)**, 148(5); S.I. 2015/490, art. 2(1)(c) (with savings and transitional provisions in S.I. 2015/492 (as amended by S.I. 2015/1660))

F379 Word in s. 61(3ZA) omitted (13.9.2018 for specified purposes, 10.12.2018 for specified purposes, 18.7.2019 for specified purposes, 9.8.2019 for specified purposes, 9.12.2019 for specified purposes, 7.12.2020 in so far as not already in force) by virtue of Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 4 para. 6(3)**; S.I. 2018/990, reg. 2(1)(2)(3) (with regs. 3-6); S.I. 2019/1136, reg. 2(2)(3)(4)(5) (with regs. 3-5, 7)

F380 S. 61(3A) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 5 para. 5(6)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F381 Words in s. 61(4) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 5 para. 5(7)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

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F382 Words in s. 61(5) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 5 para. 5(8)(a)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F383 Word in s. 61(5) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 5 para. 5(8)(b)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F384 S. 61(6)(7) omitted (13.9.2018 for specified purposes, 10.12.2018 for specified purposes, 18.7.2019 for specified purposes, 9.8.2019 for specified purposes, 9.12.2019 for specified purposes, 7.12.2020 in so far as not already in force) by virtue of Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 4 para. 6(4)**; S.I. 2018/990, reg. 2(1)(2)(3) (with regs. 3-6); S.I. 2019/1136, reg. 2(2)(3)(4)(5) (with regs. 3-5, 7)

Modifications etc. (not altering text)

C238 S. 61 modified (1.7.2009 for certain purposes, otherwise 30.6.2010) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2009 (S.I. 2009/1342), **arts. 1(2)**, 34, {Sch. paras. 1, 3}

C239 Ss. 60-63 applied (with modifications) (31.12.2011) by The Financial Services and Markets Act 2000 (Permissions, Transitional Provisions and Consequential Amendments) (Northern Ireland Credit Unions) Order 2011 (S.I. 2011/2832), **art. 8**

C240 S. 61(3) modified (1.12.2001) by S.I. 2001/3592, **arts. 1(2)**, 49(3), 53(2) (with art. 23(2))

C241 S. 61(3) excluded (1.1.2004) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No. 1) Order 2003 (S.I. 2003/1475), arts. 1(2), **28(2)**

C242 S. 61(3) excluded (1.1.2004) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No. 2) Order 2003 (S.I. 2003/1476), arts. 1(2), **24(2)**, **26(2)**

C243 S. 61(3) excluded (1.4.2017 for specified purposes) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2017 (S.I. 2017/488), arts. 1(2), **15(2)** (with art. 16)

C244 S. 61(3) excluded (1.4.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2017 (S.I. 2017/488), arts. 1(2), **15(2)** (with art. 16)

Commencement Information

I10 S. 61 wholly in force at 1.12.2001; s. 61 not in force at Royal Assent see s. 431(2); s. 61 in force for specified purposes at 3.9.2001 by S.I. 2001/2632, art. 2(2), **Sch. Pt. 2**; s. 61 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**

62 Applications for approval: procedure and right to refer to Tribunal.

(1) **[**[F385]If the regulator to which an application is made under section 60 ("an application") decides to grant the application, it**]** must give written notice of its decision to each of the interested parties.

(2) If **[**[F386]the regulator to which an application is made**]** proposes to refuse **[**[F387]the application**]**[F388], or to grant the application subject to conditions or for a limited period (or both)**]**, it must give a warning notice to each of the interested parties.

(3) If **[**[F386]the regulator to which an application is made**]** decides to refuse **[**[F387]the application**]**[F389], or to grant the application subject to conditions or for a limited period (or both)**]**, it must give a decision notice to each of the interested parties.

(4) If **[**[F386]the regulator to which an application is made**]** decides to refuse **[**[F387]the application**]**[F390], or to grant the application subject to conditions or for a limited period (or both)**]**, each of the interested parties may refer the matter to the Tribunal.

(5) "The interested parties", in relation to an application, are—

(a) the applicant;

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(b) the person in respect of whom the application is made ("A"); and

(c) the person by whom A's services are to be retained, if not the applicant.

Textual Amendments

F385 Words in s. 62(1) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 5 para. 6(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F386 Words in s. 62(2)-(4) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 5 para. 6(3)(a)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F387 Words in s. 62(2)-(4) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 5 para. 6(3)(b)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F388 Words in s. 62(2) inserted (7.3.2016) by Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 23(7)(a)**, 148(5); S.I. 2015/490, art. 2(1)(c) (with savings and transitional provisions in S.I. 2015/492 (as amended by S.I. 2015/1660))

F389 Words in s. 62(3) inserted (7.3.2016) by Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 23(7)(b)**, 148(5); S.I. 2015/490, art. 2(1)(c) (with savings and transitional provisions in S.I. 2015/492 (as amended by S.I. 2015/1660))

F390 Words in s. 62(4) inserted (7.3.2016) by Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 23(7)(c)**, 148(5); S.I. 2015/490, art. 2(1)(c) (with savings and transitional provisions in S.I. 2015/492 (as amended by S.I. 2015/1660))

Modifications etc. (not altering text)

C245 S. 62 modified (1.7.2009 for certain purposes, otherwise 30.6.2010) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2009 (S.I. 2009/1342), **arts. 1(2)**, 34, {Sch. paras. 1, 3}

C246 Ss. 60-63 applied (with modifications) (31.12.2011) by The Financial Services and Markets Act 2000 (Permissions, Transitional Provisions and Consequential Amendments) (Northern Ireland Credit Unions) Order 2011 (S.I. 2011/2832), **art. 8**

Commencement Information

I11 S. 62 wholly in force at 1.12.2001; s. 62 not in force at Royal Assent see s. 431(2); s. 62 in force for specified purposes at 3.9.2001 by S.I. 2001/2632, art. 2(2), **Sch. Pt. 2**; s. 62 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**

[F391 62A Changes in responsibilities of senior managers

(1) This section applies where—

(a) an authorised person has made an application to the appropriate regulator for approval under section 59 for a person to perform a designated senior management function,

(b) the application contained, or was accompanied by, a statement of responsibilities under section 60(2A), and

(c) the application has been granted.

(2) If, since the granting of the application, there has been any significant change in the aspects of the authorised person's affairs which the person is responsible for managing in performing the function, the authorised person must provide the appropriate regulator with a revised statement of responsibilities.

(3) The appropriate regulator may require the authorised person—

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(a) to provide information which the person is required to give under this section in such form as the appropriate regulator may direct, or

(b) to verify such information in such a way as the appropriate regulator may direct.

(4) In this section—

"the appropriate regulator" has the same meaning as in section 60 **[**F392, except that the reference in section 60(9)(b) to subsection (3) is to be treated as a reference to subsection (2) of this section**]**;

F393…**]**

Textual Amendments

F391 S. 62A inserted (7.3.2016) by Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 24**, 148(5); S.I. 2015/490, art. 2(1)(c) (with savings and transitional provisions in S.I. 2015/492 (as amended by S.I. 2015/1660))

F392 Words in s. 62A(4) inserted (6.7.2016) by Bank of England and Financial Services Act 2016 (c. 14), **ss. 23(2)**, 41(3); S.I. 2016/627, reg. 2(1)(q)

F393 Words in s. 62A(4) omitted (13.9.2018 for specified purposes, 10.12.2018 for specified purposes, 18.7.2019 for specified purposes, 9.8.2019 for specified purposes, 9.12.2019 for specified purposes, 7.12.2020 in so far as not already in force) by virtue of Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 4 para. 7**; S.I. 2018/990, **reg. 2(1)(2)(3)** (with regs. 3-6); S.I. 2019/1136, **reg. 2(2)(3)(4)(5)** (with regs. 3-5, 7)

Modifications etc. (not altering text)

C247 S. 62A(2)(3) applied (with modifications) (9.12.2019 in relation to a solo-regulated firm other than a benchmark firm or 7.12.2020 in relation to a benchmark firm) by The Bank of England and Financial Services Act 2016 (Commencement No. 6 and Transitional Provisions) Regulations 2019 (S.I. 2019/1136), **reg. 6**

63 Withdrawal of approval.

[F394(1) The FCA may withdraw an approval under section 59 given by the FCA or the PRA in relation to the performance by a person of a function if the FCA considers that the person is not a fit and proper person to perform the function.

(1A) The PRA may withdraw an approval under section 59 in relation to the performance by a person ("A") of a function if—

(a) the PRA gave the approval, or the FCA gave the approval and the function is a **[**F395relevant senior management function**]** performed in relation to the carrying on by a PRA-authorised person of a regulated activity, and

(b) the PRA considers that A is not a fit and proper person to perform the function.

[F396(1B) In subsection (1A) "relevant senior management function" means a function which the PRA is satisfied is a senior management function as defined in section 59ZA (whether or not the function has been designated as such by the FCA).**]**

(1C) Before one regulator withdraws an approval given by the other regulator, it must consult the other regulator.**]**

(2) When considering whether to withdraw **[**F397an approval, the FCA or the PRA may take into account any matter which could be taken into account in**]** considering an

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application made under section 60 in respect of the performance of the function to which the approval relates **[**F398(on the assumption, if it is not the case, that the application was one falling to be considered by it)**]**.

[F399(2A) At least once a year each F400... authorised person must, in relation to every person in relation to whom an approval has been given on the application of the authorised person—

(a) consider whether there are any grounds on which a regulator could withdraw the approval under this section, and

(b) if the authorised person is of the opinion that there are such grounds, notify the regulator of those grounds.

F401...**]**

(3) If **[**F402a regulator**]** proposes to withdraw **[**F403an approval**]**, it must give each of the interested parties a warning notice.

(4) If **[**F402a regulator**]** decides to withdraw **[**F403an approval**]**, it must give each of the interested parties a decision notice.

(5) If **[**F402a regulator**]** decides to withdraw **[**F403an approval**]**, each of the interested parties may refer the matter to the Tribunal.

(6) "The interested parties", in relation to an approval, are—

(a) the person on whose application it was given ("A");

(b) the person in respect of whom it was given ("B"); and

(c) the person by whom B's services are retained, if not A.

Textual Amendments

F394 S. 63(1)-(1C) substituted for s. 63(1) (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 14(3)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F395 Words in s. 63(1A)(a) substituted (7.3.2016) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 3 para. 3(2)**; S.I. 2015/490, art. 2(1)(b) (with savings and transitional provisions in S.I. 2015/492 (as amended by S.I. 2015/1660))

F396 S. 63(1B) substituted (7.3.2016) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 3 para. 3(3)**; S.I. 2015/490, art. 2(1)(b) (with savings and transitional provisions in S.I. 2015/492 (as amended by S.I. 2015/1660))

F397 Words in s. 63(2) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 5 para. 7(2)(a)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F398 Words in s. 63(2) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 5 para. 7(2)(b)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F399 S. 63(2A) inserted (7.3.2016) by Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 25**, 148(5); S.I. 2015/490, art. 2(1)(c) (with savings and transitional provisions in S.I. 2015/492 (as amended by S.I. 2015/1660))

F400 Word in s. 63(2A) omitted (13.9.2018 for specified purposes, 10.12.2018 for specified purposes, 18.7.2019 for specified purposes, 9.8.2019 for specified purposes, 9.12.2019 for specified purposes, 7.12.2020 in so far as not already in force) by virtue of Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 4 para. 8(a)**; S.I. 2018/990, reg. 2(1)(2)(3) (with regs. 3-6); S.I. 2019/1136, reg. 2(2)(3)(4)(5) (with regs. 3-5, 7)

F401 Words in s. 63(2A) omitted (13.9.2018 for specified purposes, 10.12.2018 for specified purposes, 18.7.2019 for specified purposes, 9.8.2019 for specified purposes, 9.12.2019 for specified purposes, 7.12.2020 in so far as not already in force) by virtue of Bank of England and Financial Services Act

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2016 (c. 14), s. 41(3), **Sch. 4 para. 8(b)**; S.I. 2018/990, reg. 2(1)(2)(3) (with regs. 3-6); S.I. 2019/1136, reg. 2(2)(3)(4)(5) (with regs. 3-5, 7)

F402 Words in s. 63(3)-(5) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 5 para. 7(3)(a)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F403 Words in s. 63(3)-(5) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 5 para. 7(3)(b)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

Modifications etc. (not altering text)

C248 S. 63 modified (1.7.2009 for certain purposes, otherwise 30.6.2010) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2009 (S.I. 2009/1342), arts. 1(2), 34, **Sch. paras. 1**, **3**

C249 Ss. 60-63 applied (with modifications) (31.12.2011) by The Financial Services and Markets Act 2000 (Permissions, Transitional Provisions and Consequential Amendments) (Northern Ireland Credit Unions) Order 2011 (S.I. 2011/2832), **art. 8**

C250 S. 63 applied (with modifications) (31.12.2011) by The Financial Services and Markets Act 2000 (Permissions, Transitional Provisions and Consequential Amendments) (Northern Ireland Credit Unions) Order 2011 (S.I. 2011/2832), **art. 6(3)**

C251 S. 63(1)(3)-(6) excluded (1.12.2001) by S.I. 2001/3592, **arts. 1(2)**, 61(2) (with art. 23(2))

C252 S. 63(3) extended (1.12.2001) by S.I. 2001/3592, **arts. 1(2)**, 52(2) (with art. 23(2))

C253 S. 63(4) modified (1.12.2001) by S.I. 2001/3592, **arts. 1(2)**, 75(2) (with art. 23(2))

Commencement Information

I12 S. 63 wholly in force at 1.12.2001; s. 63 not in force at Royal Assent see s. 431(2); s. 63 in force for specified purposes at 3.9.2001 by S.I. 2001/2632, art. 2(2), **Sch. Pt. 2**; s. 63 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**

[F404 63ZA Variation of senior manager's approval at request of F405 ... authorised person

(1) Where an [F406 approval under section 59 has effect] subject to conditions, the authorised person concerned may apply to the appropriate regulator to vary the approval by—

(a) varying a condition,

(b) removing a condition, or

(c) imposing a new condition.

F407 (1A) [Where an approval under section 59 has effect for a limited period, the authorised person concerned may apply to the appropriate regulator to vary the approval by—

(a) varying the period for which the approval is to have effect, or

(b) removing the limit on the period for which the approval is to have effect.]

(2) "The appropriate regulator"—

(a) in the case of an application for variation of an approval in a way described in subsection (1)(a) or (b), means

F408 [whichever of the FCA or the PRA imposed the condition concerned (i)] [F409, or

(ii) if the condition has been varied before (under this section or section 63ZB), whichever of the FCA or the PRA last varied it];

(b) in the case of an application for variation of an approval in the way described in subsection (1)(c), means the regulator who gave the approval.

F410 [(c) in the case of an application for variation of an approval in a way described in subsection (1A), means—

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(i) whichever of the FCA or the PRA imposed the limit on the period for which the approval has effect, or

(ii) if the limit has been varied before (under this section or section 63ZB), whichever of the FCA or the PRA last varied it.**]**

(3) The PRA must consult the FCA before determining an application under this section, unless the application relates to the variation or removal of a condition **[**F411, or a limit on the period for which an approval has effect, which was imposed (or last varied)**]** by the PRA in exercise of its power under section 63ZB.

(4) The regulator to which an application is made under this section must, before the end of the period for consideration, determine whether—

(a) to grant the application; or

(b) to give a warning notice under section 62(2).

(5) "The period for consideration" means the period of 3 months beginning with the date on which the regulator receives the application.

(6) The FCA may refuse an application under this section if it appears to the FCA that it is desirable to do so in order to advance one or more of its operational objectives.

(7) The PRA may refuse an application under this section if it appears to the PRA that it is desirable to do so in order to advance any of its objectives.

F412(7A) **[** An application may not be made under this section for the variation or removal of a condition, or a limit on the period for which an approval has effect, where the condition or limit has effect by virtue of section 66.**]**

(8) The following provisions apply to an application made under this section for variation of an approval as they apply to an application for approval made under section 60—

section 60(2) to (8),

section 61(4) and (5),

section 62 **[**F413, but as if in subsections (2), (3) and (4) the words ", or to grant the application subject to conditions or for a limited period (or both)" were omitted**]**.

Textual Amendments

F404 Ss. 63ZA-63ZC inserted (7.3.2016) by Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 26**, 148(5); S.I. 2015/490, art. 2(1)(c) (with savings and transitional provisions in S.I. 2015/492 (as amended by S.I. 2015/1660))

F405 Word in s. 63ZA heading omitted (13.9.2018 for specified purposes, 10.12.2018 for specified purposes, 18.7.2019 for specified purposes, 9.8.2019 for specified purposes, 9.12.2019 for specified purposes, 7.12.2020 in so far as not already in force) by virtue of Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 4 para. 9**; S.I. 2018/990, **reg. 2(1)(2)(3)** (with regs. 3-6); S.I. 2019/1136, **reg. 2(2)(3)(4)(5)** (with regs. 3-5, 5, 7)

F406 Words in s. 63ZA(1) substituted (6.7.2016) by Bank of England and Financial Services Act 2016 (c. 14), **ss. 23(3)(a)**, 41(3); S.I. 2016/627, reg. 2(1)(q)

F407 S. 63ZA(1A) inserted (6.7.2016) by Bank of England and Financial Services Act 2016 (c. 14), **ss. 23(3)(b)**, 41(3); S.I. 2016/627, reg. 2(1)(q)

F408 Words in s. 63ZA(2)(a) renumbered as s. 63ZA(2)(a)(i) (6.7.2016) by Bank of England and Financial Services Act 2016 (c. 14), **ss. 23(3)(c)**, 41(3); S.I. 2016/627, reg. 2(1)(q)

F409 S. 63ZA(2)(a)(ii) and word inserted (6.7.2016) by Bank of England and Financial Services Act 2016 (c. 14), **ss. 23(3)(c)**, 41(3); S.I. 2016/627, reg. 2(1)(q)

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F410 S. 63ZA(2)(c) inserted (6.7.2016) by Bank of England and Financial Services Act 2016 (c. 14), **ss. 23(3)(d)**, 41(3); S.I. 2016/627, reg. 2(1)(q)
F411 Words in s. 63ZA(3) substituted (6.7.2016) by Bank of England and Financial Services Act 2016 (c. 14), **ss. 23(3)(e)**, 41(3); S.I. 2016/627, reg. 2(1)(q)
F412 S. 63ZA(7A) inserted (6.7.2016) by Bank of England and Financial Services Act 2016 (c. 14), **ss. 23(3)(f)**, 41(3); S.I. 2016/627, reg. 2(1)(q)
F413 Words in s. 63ZA(8) inserted (6.7.2016) by Bank of England and Financial Services Act 2016 (c. 14), **ss. 23(3)(g)**, 41(3); S.I. 2016/627, reg. 2(1)(q)

63ZB Variation of senior manager's approval on initiative of regulator

(1) The FCA may vary an approval under section 59 given by the FCA or the PRA for the performance of a designated senior management function in relation to the carrying on of a regulated activity by **[**F414an**]** authorised person if the FCA considers that it is desirable to do so in order to advance one or more of its operational objectives.

(2) The PRA may vary an approval under section 59 for the performance of a designated senior management function in relation to the carrying on of a regulated activity by **[**F415an**]** authorised person if—

(a) either—

(i) the PRA gave the approval, or

(ii) the FCA gave the approval and the F416... authorised person is a PRA-authorised person, and

(b) the PRA considers that it is desirable to do so in order to advance any of its objectives.

(3) A regulator may vary an approval by—

(a) imposing a condition,

(b) varying a condition,

(c) removing a condition, F417...

(d) **[**F418where the approval has effect for an unlimited period,**]** limiting the period for which the approval is to have effect **[**F419, or

(e) where the approval has effect for a limited period, varying that period or removing the limit on the period for which the approval is to have effect**]**.

(4) Before one regulator varies an approval given by the other regulator, it must consult the other regulator.

[F420(4A) Before one regulator varies an approval which was last varied by the other regulator, it must consult the other regulator.**]**

F421(5) . . . . . .

F421(6) . . . . . .

Textual Amendments

F404 Ss. 63ZA-63ZC inserted (7.3.2016) by Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 26**, 148(5); S.I. 2015/490, art. 2(1)(c) (with savings and transitional provisions in S.I. 2015/492 (as amended by S.I. 2015/1660))
F414 Word in s. 63ZB(1) substituted (13.9.2018 for specified purposes, 10.12.2018 for specified purposes, 18.7.2019 for specified purposes, 9.8.2019 for specified purposes, 9.12.2019 for specified purposes,

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7.12.2020 in so far as not already in force) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 4 para. 10(2)**; S.I. 2018/990, reg. 2(1)(2)(3) (with regs. 3-6); S.I. 2019/1136, reg. 2(2)(3)(4)(5) (with regs. 3-5, 7)

F415 Word in s. 63ZB(2) substituted (13.9.2018 for specified purposes, 10.12.2018 for specified purposes, 18.7.2019 for specified purposes, 9.8.2019 for specified purposes, 9.12.2019 for specified purposes, 7.12.2020 in so far as not already in force) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 4 para. 10(3)(a)**; S.I. 2018/990, reg. 2(1)(2)(3) (with regs. 3-6); S.I. 2019/1136, reg. 2(2)(3)(4)(5) (with regs. 3-5, 7)

F416 Word in s. 63ZB(2)(a)(ii) omitted (13.9.2018 for specified purposes, 10.12.2018 for specified purposes, 18.7.2019 for specified purposes, 9.8.2019 for specified purposes, 9.12.2019 for specified purposes, 7.12.2020 in so far as not already in force) by virtue of Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 4 para. 10(3)(b)**; S.I. 2018/990, reg. 2(1)(2)(3) (with regs. 3-6); S.I. 2019/1136, reg. 2(2)(3)(4)(5) (with regs. 3-5, 7)

F417 Word in s. 63ZB(3)(c) omitted (6.7.2016) by virtue of Bank of England and Financial Services Act 2016 (c. 14), **ss. 23(4)(a)**, 41(3); S.I. 2016/627, reg. 2(1)(q)

F418 Words in s. 63ZB(3)(d) inserted (6.7.2016) by Bank of England and Financial Services Act 2016 (c. 14), **ss. 23(4)(b)**, 41(3); S.I. 2016/627, reg. 2(1)(q)

F419 S. 63ZB(3)(e) and word inserted (6.7.2016) by Bank of England and Financial Services Act 2016 (c. 14), **ss. 23(4)(c)**, 41(3); S.I. 2016/627, reg. 2(1)(q)

F420 S. 63ZB(4A) inserted (6.7.2016) by Bank of England and Financial Services Act 2016 (c. 14), **ss. 23(4)(d)**, 41(3); S.I. 2016/627, reg. 2(1)(q)

F421 S. 63ZB(5)(6) omitted (13.9.2018 for specified purposes, 10.12.2018 for specified purposes, 18.7.2019 for specified purposes, 9.8.2019 for specified purposes, 9.12.2019 for specified purposes, 7.12.2020 in so far as not already in force) by virtue of Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 4 para. 10(4)**; S.I. 2018/990, reg. 2(1)(2)(3) (with regs. 3-6); S.I. 2019/1136, reg. 2(2)(3)(4)(5) (with regs. 3-5, 7)

63ZC Exercise of power under section 63ZB: procedure

(1) This section applies to an exercise, by either regulator, of the power to vary an approval under section 63ZB.

(2) A variation takes effect—

(a) immediately, if the notice given under subsection (4) states that that is the case,

(b) on such date as is specified in the notice, or

(c) if no date is specified in the notice, when the matter to which the notice relates is no longer open to review.

(3) A variation may be expressed to take effect immediately (or on a specified date) only if the regulator concerned, having regard to the ground on which it is exercising the power to vary, reasonably considers that it is necessary for the variation to take effect immediately (or on that date).

(4) If either regulator proposes to vary an approval or varies an approval with immediate effect, it must give each of the interested parties written notice.

(5) The notice must—

(a) give details of the variation,

(b) state the regulator's reasons for the variation,

(c) inform the interested parties that each of them may make representations to the regulator within such period as may be specified in the notice (whether or not any of the interested parties has referred the matter to the Tribunal),

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(d) inform the interested parties of when the variation takes effect, and

(e) inform the interested parties of the right of each of them to refer the matter to the Tribunal.

(6) "The interested parties", in relation to an approval, are—

(a) the person on whose application it was given ("A"),

(b) the person in respect of whom it was given ("B"), and

(c) the person by whom B's services are retained, if not A.

(7) The regulator giving the notice may extend the period allowed under the notice for making representations.

(8) If having considered the representations made by the interested parties, the regulator decides—

(a) to vary the approval, or

(b) if the variation has taken effect, not to rescind it,

it must give each of the interested parties written notice.

(9) If having considered the representations made by the interested parties, the regulator decides—

(a) not to vary the approval,

(b) to vary the approval in a different way, or

(c) if the variation has taken effect, to rescind it,

it must give each of the interested parties written notice.

(10) A notice under subsection (8) must inform the interested parties of the right of each of them to refer the matter to the Tribunal.

(11) A notice under subsection (9)(b) must comply with subsection (5).

(12) If a notice informs the interested parties of the right to refer a matter to the Tribunal, it must give an indication of the procedure on such a reference.

(13) For the purposes of subsection (2)(c), whether a matter is open to review is to be determined in accordance with section 391(8).

(14) "Approval" means an approval under section 59.**]**

Textual Amendments

F404 Ss. 63ZA-63ZC inserted (7.3.2016) by Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 26**, 148(5); S.I. 2015/490, art. 2(1)(c) (with savings and transitional provisions in S.I. 2015/492 (as amended by S.I. 2015/1660))

[F422 63ZD Statement of policy relating to conditional approval and variation

(1) Each regulator must prepare and issue a statement of its policy with respect to—

(a) its giving of approval under section 59 subject to conditions or for a limited period only, and

(b) its variation under section 63ZA or 63ZB of an approval given under section 59.

(2) A regulator may at any time alter or replace a statement issued by it under this section.

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(3) If a statement issued under this section is altered or replaced by a regulator, the regulator must issue the altered or replacement statement.

(4) A statement issued under this section must be published by the regulator concerned in the way appearing to the regulator to be best calculated to bring it to the attention of the public.

(5) A regulator may charge a reasonable fee for providing a person with a copy of a statement published under this section.

(6) A regulator must, without delay, give the Treasury a copy of any statement which it publishes under this section.

Textual Amendments

F422 Ss. 63ZD, 63ZE inserted (25.7.2014) by Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 27**, 148(5); S.I. 2014/1819, art. 2(1)(b)

63ZE Statement of policy: procedure

(1) Before issuing a statement of policy under section 63ZD, a regulator ("the issuing regulator") must—

(a) consult the other regulator, and

(b) publish a draft of the proposed statement in the way appearing to the issuing regulator to be best calculated to bring it to the attention of the public.

(2) The duty of the FCA to consult the PRA under subsection (1)(a) applies only in so far as the statement of policy applies to persons whose approval under section 59 relates to the performance of a function designated by the FCA as a senior management function under section 59(6A) in relation to the carrying on by PRA-authorised persons of regulated activities.

(3) The draft must be accompanied by notice that representations about the proposal may be made to the issuing regulator within a specified time.

(4) Before issuing the proposed statement, the issuing regulator must have regard to any representations made to it in accordance with subsection (3).

(5) If the issuing regulator issues the proposed statement it must publish an account, in general terms, of—

(a) the representations made to it in accordance with subsection (3), and

(b) its response to them.

(6) If the statement differs from the draft published under subsection (1) in a way which is in the opinion of the issuing regulator significant, the issuing regulator—

(a) must before issuing it carry out any consultation required by subsection (1)(a), and

(b) must (in addition to complying with subsection (5)) publish details of the difference.

(7) The issuing regulator may charge a reasonable fee for providing a person with a draft published under subsection (1)(b).

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(8) This section also applies to a proposal to alter or replace a statement.**]**

Textual Amendments

F422 Ss. 63ZD, 63ZE inserted (25.7.2014) by Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 27**, 148(5); S.I. 2014/1819, art. 2(1)(b)

[F423 Performance of controlled functions without approval

Textual Amendments

F423 Ss. 63A-63D and preceding cross-heading inserted (8.6.2010) by Financial Services Act 2010 (c. 28), **ss. 11**, 26(2)(b)

63A Power to impose penalties

(1) If the **[**F424appropriate regulator**]** is satisfied that—

(a) a person ("P") has at any time performed a controlled function without approval, and

(b) at that time P knew, or could reasonably be expected to have known, that P was performing a controlled function without approval,

it may impose a penalty on P of such amount as it considers appropriate.

(2) For the purposes of this section P performs a controlled function without approval at any time if at that time—

(a) P performs a controlled function under an arrangement entered into by an authorised person ("A"), or by a contractor of A, in relation to the carrying on by A of a regulated activity; and

[F425(b) P, when performing the function, is not acting in accordance with an approval given under section 59.**]**

(3) The **[**F424appropriate regulator**]** may not impose a penalty under this section after the end of the limitation period unless, before the end of that period, it has given a warning notice to the person concerned under section 63B(1).

(4) "The limitation period" means the **[**F426relevant period**]** beginning with the first day on which the **[**F424appropriate regulator**]** knew that the person concerned had performed a controlled function without approval.

(5) For this purpose the **[**F424appropriate regulator**]** is to be treated as knowing that a person has performed a controlled function without approval if it has information from which that can reasonably be inferred.

F427(5A) **[** The appropriate regulator"—

(a) in relation to a controlled function which is of a description specified in rules made by the FCA, means the FCA, and

(b) in relation to a controlled function which is of a description specified in rules made by the PRA, means the PRA.**]**

F428(5B) **[** The relevant period" is—

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(a) in relation to the performance of a controlled function without approval before the day on which this subsection comes into force, the period of 3 years, and

(b) in relation to the performance of a controlled function without approval on or after that day, the period of 6 years.**]**

(6) Any **[**F429other**]** expression which is used both in this section and section 59 has the same meaning in this section as in that section.

Textual Amendments

F424 Words in s. 63A substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 5 para. 8(a)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F425 S. 63A(2)(b) substituted (7.3.2016) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 3 para. 4**; S.I. 2015/490, art. 2(1)(b) (with savings and transitional provisions in S.I. 2015/492 (as amended by S.I. 2015/1660))

F426 Words in s. 63A(4) substituted (25.7.2014) by Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 28(2)**, 148(5); S.I. 2014/1819, art. 2(1)(c)

F427 S. 63A(5A) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 5 para. 8(b)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F428 S. 63A(5B) inserted (25.7.2014) by Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 28(3)**, 148(5); S.I. 2014/1819, art. 2(1)(c)

F429 Word in s. 63A(6) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 5 para. 8(c)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

Modifications etc. (not altering text)

C254 Ss. 63A-63C applied (with modifications) (1.4.2013) by The Financial Services Act 2012 (Transitional Provisions) (Enforcement) Order 2013 (S.I. 2013/441), arts. 1(1), **2(2)**

C255 S. 63A(4) applied (with modifications) (1.4.2013) by The Financial Services Act 2012 (Transitional Provisions) (Enforcement) Order 2013 (S.I. 2013/441), arts. 1(1), **2(3)**

C256 S. 63A(5) applied (with modifications) (1.4.2013) by The Financial Services Act 2012 (Transitional Provisions) (Enforcement) Order 2013 (S.I. 2013/441), arts. 1(1), **2(4)**

63B Procedure and right to refer to Tribunal

(1) If **[**F430a regulator**]** proposes to impose a penalty on a person under section 63A, it must give the person a warning notice.

(2) A warning notice must state the amount of the penalty.

(3) If **[**F430a regulator**]** decides to impose a penalty on a person under section 63A, it must give the person a decision notice.

(4) A decision notice must state the amount of the penalty.

(5) If **[**F430a regulator**]** decides to impose a penalty on a person under section 63A, the person may refer the matter to the Tribunal.

Textual Amendments

F430 Words in s. 63B substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 5 para. 9** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

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Modifications etc. (not altering text)

C254 Ss. 63A-63C applied (with modifications) (1.4.2013) by The Financial Services Act 2012 (Transitional Provisions) (Enforcement) Order 2013 (S.I. 2013/441), arts. 1(1), **2(2)**

63C Statement of policy

(1) **[**F431Each regulator**]** must prepare and issue a statement of its policy with respect to—

(a) the imposition of penalties under section 63A; and

(b) the amount of penalties under that section.

(2) **[**F432Each regulator's**]** policy in determining whether a penalty should be imposed, and what the amount of a penalty should be, must include having regard to—

(a) the conduct of the person on whom the penalty is to be imposed;

(b) the extent to which the person could reasonably be expected to have known that a controlled function was performed without approval;

(c) the length of the period during which the person performed a controlled function without approval; and

(d) whether the person on whom the penalty is to be imposed is an individual.

(3) **[**F433Each regulator's**]** policy in determining whether a penalty should be imposed on a person must also include having regard to the appropriateness of taking action against the person instead of, or in addition to, taking action against an authorised person.

(4) A statement issued under this section must include an indication of the circumstances in which **[**F434the regulator that has issued the statement**]** would expect to be satisfied that a person could reasonably be expected to have known that the person was performing a controlled function without approval.

(5) **[**F435A regulator**]** may at any time alter or replace a statement issued **[**F436by it**]** under this section.

(6) If a statement issued under this section is altered or **[**F437replaced by a regulator, the regulator**]** must issue the altered or replaced statement.

(7) **[**F438A regulator**]** must, without delay, give the Treasury a copy of any statement which it publishes under this section.

(8) A statement issued under this section **[**F439by a regulator**]** must be published by the **[**F440regulator**]** in the way appearing to the **[**F440regulator**]** to be best calculated to bring it to the attention of the public.

(9) The **[**F441regulator**]** may charge a reasonable fee for providing a person with a copy of the statement.

(10) In exercising, or deciding whether to exercise, its power under section 63A in the case of any particular person, **[**F442a regulator**]** must have regard to any statement of policy published **[**F443by it**]** under this section and in force at a time when the person concerned performed a controlled function without approval.

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Textual Amendments

F431 Words in s. 63C(1) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 5 para. 10(2)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F432 Words in s. 63C(2) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 5 para. 10(3)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F433 Words in s. 63C(3) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 5 para. 10(3)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F434 Words in s. 63C(4) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 5 para. 10(4)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F435 Words in s. 63C(5) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 5 para. 10(5)(a)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F436 Words in s. 63C(5) inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 5 para. 10(5)(b)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F437 Words in s. 63C(6) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 5 para. 10(6)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F438 Words in s. 63C(7) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 5 para. 10(7)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F439 Words in s. 63C(8) inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 5 para. 10(8)(a)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F440 Word in s. 63C(8) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 5 para. 10(8)(b)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F441 Word in s. 63C(9) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 5 para. 10(9)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F442 Words in s. 63C(10) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 5 para. 10(10)(a)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F443 Words in s. 63C(10) inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 5 para. 10(10)(b)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

Modifications etc. (not altering text)

C254 Ss. 63A-63C applied (with modifications) (1.4.2013) by The Financial Services Act 2012 (Transitional Provisions) (Enforcement) Order 2013 (S.I. 2013/441), arts. 1(1), **2(2)**

C257 S. 63C(10) applied (with modifications) (1.4.2013) by The Financial Services Act 2012 (Transitional Provisions) (Enforcement) Order 2013 (S.I. 2013/441), arts. 1(1), **2(5)**

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63D Statement of policy: procedure

(1) Before **[**[F444]a regulator issues**]** a statement under section 63C, the **[**[F445]regulator**]** must publish a draft of the proposed statement in the way appearing to the **[**[F445]regulator**]** to be best calculated to bring it to the attention of the public.

(2) The draft must be accompanied by notice that representations about the proposal may be made to the **[**[F446]regulator**]** within a specified time.

(3) Before issuing the proposed statement, the **[**[F447]regulator**]** must have regard to any representations made to it in accordance with subsection (2).

(4) If the **[**[F448]regulator**]** issues the proposed statement it must publish an account, in general terms, of—

(a) the representations made to it in accordance with subsection (2); and

(b) its response to them.

(5) If the statement differs from the draft published under subsection (1) in a way which is, in the opinion of the **[**[F449]regulator**]**, significant, the **[**[F449]regulator**]** must (in addition to complying with subsection (4)) publish details of the difference.

(6) **[**[F450]A regulator**]** may charge a reasonable fee for providing a person with a copy of a draft published **[**[F451]by it**]** under subsection (1).

(7) This section also applies to a proposal to alter or replace a statement.**]**

Textual Amendments

F444 Words in s. 63D(1) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 5 para. 11(2)(a)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F445 Word in s. 63D(1) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 5 para. 11(2)(b)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F446 Word in s. 63D(2) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 5 para. 11(3)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F447 Word in s. 63D(3) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 5 para. 11(3)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F448 Word in s. 63D(4) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 5 para. 11(3)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F449 Word in s. 63D(5) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 5 para. 11(3)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F450 Words in s. 63D(6) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 5 para. 11(4)(a)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F451 Words in s. 63D(6) inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 5 para. 11(4)(b)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

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Modifications etc. (not altering text)

C258 S. 63D excluded (2.4.2013) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2013 (S.I. 2013/655), arts. 1, **9(2)**

C259 S. 63D excluded (1.4.2015) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2015 (S.I. 2015/369), arts. 1, **6(2)(a)**

C260 S. 63D excluded (27.2.2018) by The Financial Services and Markets Act 2000 (Benchmarks) Regulations 2018 (S.I. 2018/135), regs. 1(2), **32(2)(a)**

[F452 Certification of employees

Textual Amendments

F452 Ss. 63E, 63F inserted (25.7.2014 for specified purposes, 7.3.2016 for the insertion of s. 63F otherwise, 7.3.2017 in so far as not already in force) by Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 29**, 148(5); S.I. 2014/1819, art. 2(2)(b); S.I. 2015/490, art. 2(1)(a)(2) (with savings and transitional provisions in S.I. 2015/492 (as amended by S.I. 2015/1660))

63E Certification of employees by F453... authorised persons

(1) **[**F454An**]** authorised person ("A") must take reasonable care to ensure that no employee of A performs a specified function under an arrangement entered into by A in relation to the carrying on by A of a regulated activity, unless the employee has a valid certificate issued by A under section 63F.

(2) "Specified function"—

(a) in relation to the carrying on of a regulated activity by a PRA-authorised person, means a function of a description specified in rules made by the FCA or the PRA, and

(b) in relation to the carrying on of a regulated activity by any other authorised person, means a function of a description specified in rules made by the FCA.

(3) The FCA may specify a description of function under subsection (2)(a) or (b) only if, in relation to the carrying on of a regulated activity by **[**F455an**]** authorised person of a particular description—

(a) the function is not a controlled function in relation to the carrying on of that activity by **[**F455an**]** authorised person of that description, but

(b) the FCA is satisfied that the function is nevertheless a significant-harm function.

(4) The PRA may specify a description of function under subsection (2)(a) only if, in relation to the carrying on of a regulated activity by a F456... PRA-authorised person of a particular description—

(a) the function is not a controlled function in relation to the carrying on of that activity by a F456... PRA-authorised person of that description, but

(b) the PRA is satisfied that the function is nevertheless a significant-harm function.

(5) A function is a "significant-harm function", in relation to the carrying on of a regulated activity by an authorised person, if—

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(a) the function will require the person performing it to be involved in one or more aspects of the authorised person's affairs, so far as relating to the activity, and

(b) those aspects involve, or might involve, a risk of significant harm to the authorised person or any of its customers.

(6) Each regulator must—

(a) keep under review the exercise of its power under subsection (2) to specify any significant-harm function as a specified function, and

(b) exercise that power in a way that it considers will minimise the risk of employees of [F457]... authorised persons performing significant-harm functions which they are not fit and proper persons to perform.

[F458](7) . . . . . .

(8) In this section—

"controlled function" has the meaning given by section 59(3);

[[F459]"customer"—

(a) in relation to an authorised person, means a person who is using, or who is or may be contemplating using, any of the services provided by the authorised person; and

(b) in relation to an authorised person carrying on a regulated claims management activity, also means (so far as not included in paragraph (a)) a person who has or may have a claim within the meaning of section 419A in respect of which the authorised person is carrying on a regulated claims management activity.**]**

[F460]...

(9) In this section any reference to an employee of a person ("A") includes a reference to a person who—

(a) personally provides, or is under an obligation personally to provide, services to A under an arrangement made between A and the person providing the services or another person, and

(b) is subject to (or to the right of) supervision, direction or control by A as to the manner in which those services are provided.

[F461](10) . . . . . .

Textual Amendments

F453 Word in s. 63E heading omitted (13.9.2018 for specified purposes, 18.7.2019 for specified purposes, 9.8.2019 for specified purposes, 10.12.2019 for specified purposes, 31.3.2021 for specified purposes, 7.12.2021 in so far as not already in force) by virtue of Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 4 para. 11(2)**; S.I. 2018/990, reg. 2(1)(2)(4) (with regs. 3-6); S.I. 2019/1136, reg. 2(2)(3)(6)(7) (with regs. 3, 7)

F454 Word in s. 63E(1) substituted (13.9.2018 for specified purposes, 18.7.2019 for specified purposes, 9.8.2019 for specified purposes, 10.12.2019 for specified purposes, 31.3.2021 for specified purposes, 7.12.2021 in so far as not already in force) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 4 para. 11(3)**; S.I. 2018/990, reg. 2(1)(2)(4) (with regs. 3-6); S.I. 2019/1136, reg. 2(2)(3)(6)(7) (with regs. 3, 7)

F455 Word in s. 63E(3) substituted (13.9.2018 for specified purposes, 18.7.2019 for specified purposes, 9.8.2019 for specified purposes, 10.12.2019 for specified purposes, 31.3.2021 for specified purposes, 7.12.2021 in so far as not already in force) by Bank of England and Financial Services Act 2016

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(c. 14), s. 41(3), **Sch. 4 para. 11(4)**; S.I. 2018/990, reg. 2(1)(2)(4) (with regs. 3-6); S.I. 2019/1136, reg. 2(2)(3)(6)(7) (with regs. 3, 7)

F456 Word in s. 63E(4) omitted (13.9.2018 for specified purposes, 18.7.2019 for specified purposes, 9.8.2019 for specified purposes, 10.12.2019 for specified purposes, 31.3.2021 for specified purposes, 7.12.2021 in so far as not already in force) by virtue of Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 4 para. 11(5)**; S.I. 2018/990, reg. 2(1)(2)(4) (with regs. 3-6); S.I. 2019/1136, reg. 2(2)(3)(6)(7) (with regs. 3, 7)

F457 Word in s. 63E(6)(b) omitted (13.9.2018 for specified purposes, 18.7.2019 for specified purposes, 9.8.2019 for specified purposes, 10.12.2019 for specified purposes, 31.3.2021 for specified purposes, 7.12.2021 in so far as not already in force) by virtue of Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 4 para. 11(6)**; S.I. 2018/990, reg. 2(1)(2)(4) (with regs. 3-6); S.I. 2019/1136, reg. 2(2)(3)(6)(7) (with regs. 3, 7)

F458 S. 63E(7) omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **26**; 2020 c. 1, Sch. 5 para. 1(1)

F459 Words in s. 63E(8) substituted (E.W.S.) (29.11.2018 for specified purposes, 1.4.2019 in so far as not already in force) by The Financial Services and Markets Act 2000 (Claims Management Activity) Order 2018 (S.I. 2018/1253), arts. 1(2)(3), **91(4)**

F460 Words in s. 63E(8) omitted (13.9.2018 for specified purposes, 18.7.2019 for specified purposes, 9.8.2019 for specified purposes, 10.12.2019 for specified purposes, 31.3.2021 for specified purposes, 7.12.2021 in so far as not already in force) by virtue of Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 4 para. 11(7)**; S.I. 2018/990, reg. 2(1)(2)(4) (with regs. 3-6); S.I. 2019/1136, reg. 2(2)(3)(6)(7) (with regs. 3, 7)

F461 S. 63E(10) omitted (13.9.2018 for specified purposes, 18.7.2019 for specified purposes, 9.8.2019 for specified purposes, 10.12.2019 for specified purposes, 31.3.2021 for specified purposes, 7.12.2021 in so far as not already in force) by virtue of Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 4 para. 11(8)**; S.I. 2018/990, reg. 2(1)(2)(4) (with regs. 3-6); S.I. 2019/1136, reg. 2(2)(3)(6)(7) (with regs. 3, 7)

63F Issuing of certificates

(1) **[**[F462]An**]** authorised person may issue a certificate to a person under this section only if the authorised person is satisfied that the person is a fit and proper person to perform the function to which the certificate relates.

(2) In deciding whether the person is a fit and proper person to perform the function, the [F463]... authorised person must have regard, in particular, to whether the person—

(a) has obtained a qualification,

(b) has undergone, or is undergoing, training,

(c) possesses a level of competence, or

(d) has the personal characteristics,

required by general rules made by the appropriate regulator in relation to employees performing functions of that kind.

(3) In subsection (2) "the appropriate regulator" means—

(a) in relation to employees of PRA-authorised persons, the FCA or the PRA, and

(b) in relation to employees of any other authorised person, the FCA.

(4) A certificate issued by **[**[F464]an**]** authorised person to a person under this section must—

(a) state that the authorised person is satisfied that the person is a fit and proper person to perform the function to which the certificate relates, and

(b) set out the aspects of the affairs of the authorised person in which the person will be involved in performing the function.

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(5) A certificate issued under this section is valid for a period of 12 months beginning with the day on which it is issued.

(6) If, after having considered whether a person is a fit and proper person to perform a specified function, **[**F465an**]** authorised person decides not to issue a certificate to the person under this section, the authorised person must give the person a notice in writing stating—

(a) what steps (if any) the authorised person proposes to take in relation to the person as a result of the decision, and

(b) the reasons for proposing to take those steps.

(7) **[**F466An**]** authorised person must maintain a record of every employee who has a valid certificate issued by it under this section.

(8) Expressions used in this section and in section 63E have the same meaning in this section as they have in that section.**]**

Textual Amendments

F462 Word in s. 63F(1) substituted (13.9.2018 for specified purposes, 10.12.2018 for specified purposes, 18.7.2019 for specified purposes, 9.8.2019 for specified purposes, 9.12.2019 for specified purposes, 7.12.2020 in so far as not already in force) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 4 para. 12(2)**; S.I. 2018/990, reg. 2(1)(2)(3) (with regs. 3-6); S.I. 2019/1136, reg. 2(2)(3)(4)(5) (with regs. 3-5, 7)

F463 Word in s. 63F(2) omitted (13.9.2018 for specified purposes, 10.12.2018 for specified purposes, 18.7.2019 for specified purposes, 9.8.2019 for specified purposes, 9.12.2019 for specified purposes, 7.12.2020 in so far as not already in force) by virtue of Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 4 para. 12(3)**; S.I. 2018/990, reg. 2(1)(2)(3) (with regs. 3-6); S.I. 2019/1136, reg. 2(2)(3)(4)(5) (with regs. 3-5, 7)

F464 Word in s. 63F(4) substituted (13.9.2018 for specified purposes, 10.12.2018 for specified purposes, 18.7.2019 for specified purposes, 9.8.2019 for specified purposes, 9.12.2019 for specified purposes, 7.12.2020 in so far as not already in force) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 4 para. 12(4)**; S.I. 2018/990, reg. 2(1)(2)(3) (with regs. 3-6); S.I. 2019/1136, reg. 2(2)(3)(4)(5) (with regs. 3-5, 7)

F465 Word in s. 63F(6) substituted (13.9.2018 for specified purposes, 10.12.2018 for specified purposes, 18.7.2019 for specified purposes, 9.8.2019 for specified purposes, 9.12.2019 for specified purposes, 7.12.2020 in so far as not already in force) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 4 para. 12(5)**; S.I. 2018/990, reg. 2(1)(2)(3) (with regs. 3-6); S.I. 2019/1136, reg. 2(2)(3)(4)(5) (with regs. 3-5, 7)

F466 Word in s. 63F(7) substituted (13.9.2018 for specified purposes, 10.12.2018 for specified purposes, 18.7.2019 for specified purposes, 9.8.2019 for specified purposes, 9.12.2019 for specified purposes, 7.12.2020 in so far as not already in force) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 4 para. 12(6)**; S.I. 2018/990, reg. 2(1)(2)(3) (with regs. 3-6); S.I. 2019/1136, reg. 2(2)(3)(4)(5) (with regs. 3-5, 7)

F467 **...**

Textual Amendments

F467 Ss. 64, 65 and cross-heading omitted (25.7.2014 for specified purposes, 7.3.2016 in so far as not already in force) by virtue of Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 30(2)**, 148(5);

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S.I. 2014/1819, art. 2(2)(c); S.I. 2015/490, art. 2(1)(b) (as amended by S.I. 2015/2055, art. 2(2) and with savings and transitional provisions in S.I. 2015/492 (as amended by S.I. 2015/1660))

F467 64 Conduct: statements and codes.

. . . . . .

F467 65 Statements and codes: procedure.

. . . . . .

[F468 Conduct of approved persons and others

Textual Amendments

F468 Ss. 64A, 64B and cross-heading inserted (25.7.2014 for specified purposes, 7.3.2016 for specified purposes) by Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 30(3)**, 148(5); S.I. 2014/1819, art. 2(2)(c); S.I. 2015/490, art. 2(1)(d) (as inserted by S.I. 2015/2055, art. 2(4) and with savings and transitional provisions in S.I. 2015/492 (as amended by S.I. 2015/1660))

64A Rules of conduct

(1) If it appears to the FCA to be necessary or expedient for the purpose of advancing one or more of its operational objectives, the FCA may make rules about the conduct of the following persons—

(a) persons in relation to whom either regulator has given its approval under section 59;

(b) persons who are employees of **[**F469 authorised persons**]**.

F470 (c) **[** persons who are directors of authorised persons.**]**

(2) If it appears to the PRA to be necessary or expedient for the purpose of advancing any of its objectives, the PRA may make rules about the conduct of the following persons—

(a) persons in relation to whom it has given its approval under section 59;

(b) persons in relation to whom the FCA has given its approval under section 59 in respect of the performance by them of a relevant senior management function in relation to the carrying on by a PRA-authorised person of a regulated activity;

(c) persons who are employees of F471 ... PRA-authorised persons.

F472 (d) **[** persons who are directors of PRA-authorised persons.**]**

(3) In subsection (2)—

F473 ...

"relevant senior management function" means a function which the PRA is satisfied is a senior management function as defined in section 59ZA (whether or not the function has been designated as such by the FCA).

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(4) Rules made under this section must relate to the conduct of persons in relation to the performance by them of qualifying functions.

(5) In subsection (4) "qualifying function", in relation to a person, means a function relating to the carrying on of activities (whether or not regulated activities) by—

(a) in the case of an approved person, the person on whose application approval was given, [F474]...

[F475](ab) in the case of a person who is a director of an authorised person but is not an approved person, that authorised person, and]

(b) in any other case, the person's employer.

(6) In this section any reference to an employee of a person ("P") includes a reference to a person who—

(a) personally provides, or is under an obligation personally to provide, services to P under an arrangement made between P and the person providing the services or another person, and

(b) is subject to (or to the right of) supervision, direction or control by P as to the manner in which those services are provided,

and "employer" is to be read accordingly.

[F476](7) In this section "director", in relation to an authorised person, means a member of the board of directors, or if there is no such board, the equivalent body responsible for the management of the authorised person concerned.]

Textual Amendments

F469 Words in s. 64A(1)(b) substituted (13.9.2018 for specified purposes, 10.12.2018 for specified purposes, 18.7.2019 for specified purposes, 9.8.2019 for specified purposes, 9.12.2019 for specified purposes, 7.12.2020 in so far as not already in force) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 4 para. 13(2)**; S.I. 2018/990, reg. 2(1)(2)(3) (with regs. 3-6); S.I. 2019/1136, reg. 2(2)(3)(4)(5) (with regs. 3-5, 7)

F470 S. 64A(1)(c) inserted (6.7.2016) by Bank of England and Financial Services Act 2016 (c. 14), **ss. 24(2)(a)**, 41(3); S.I. 2016/627, reg. 2(1)(r)

F471 Word in s. 64A(2)(c) omitted (13.9.2018 for specified purposes, 10.12.2018 for specified purposes, 18.7.2019 for specified purposes, 9.8.2019 for specified purposes, 9.12.2019 for specified purposes, 7.12.2020 in so far as not already in force) by virtue of Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 4 para. 13(3)**; S.I. 2018/990, reg. 2(1)(2)(3) (with regs. 3-6); S.I. 2019/1136, reg. 2(2)(3)(4)(5) (with regs. 3-5, 7)

F472 S. 64A(2)(d) inserted (6.7.2016) by Bank of England and Financial Services Act 2016 (c. 14), **ss. 24(2)(b)**, 41(3); S.I. 2016/627, reg. 2(1)(r)

F473 Words in s. 64A(3) omitted (13.9.2018 for specified purposes, 10.12.2018 for specified purposes, 18.7.2019 for specified purposes, 9.8.2019 for specified purposes, 9.12.2019 for specified purposes, 7.12.2020 in so far as not already in force) by virtue of Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 4 para. 13(4)**; S.I. 2018/990, reg. 2(1)(2)(3) (with regs. 3-6); S.I. 2019/1136, reg. 2(2)(3)(4)(5) (with regs. 3-5, 7)

F474 Word in s. 64A(5)(a) omitted (6.7.2016) by virtue of Bank of England and Financial Services Act 2016 (c. 14), **ss. 24(2)(c)**, 41(3); S.I. 2016/627, reg. 2(1)(r)

F475 S. 64A(5)(ab) inserted (6.7.2016) by Bank of England and Financial Services Act 2016 (c. 14), **ss. 24(2)(d)**, 41(3); S.I. 2016/627, reg. 2(1)(r)

F476 S. 64A(7) inserted (6.7.2016) by Bank of England and Financial Services Act 2016 (c. 14), **ss. 24(2)(e)**, 41(3); S.I. 2016/627, reg. 2(1)(r)

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64B Rules of conduct: responsibilities of F477... authorised persons

(1) This section applies where a regulator makes rules under section 64A ("conduct rules").

(2) Every F478... authorised person must—

(a) notify all relevant persons of the conduct rules that apply in relation to them, and

(b) take all reasonable steps to secure that those persons understand how those rules apply in relation to them.

(3) The steps which **[**F479an**]** authorised person must take to comply with subsection (2)(b) include, in particular, the provision of suitable training.

(4) In this section "relevant person", in relation to an authorised person, means—

(a) any person in relation to whom an approval is given under section 59 on the application of the authorised person, F480...

(b) any employee of the authorised person **[**F481, and

(c) any person who is a director of the authorised person**]**.

F482(5) . . . . . .

(6) In this section "employee", in relation to an authorised person, has the same meaning as in section 64A.

[F483(6A) In this section "director", in relation to an authorised person, has the same meaning as in section 64A.**]**

F484(7) . . . . . .**]**

Textual Amendments

F477 Word in s. 64B heading heading omitted (13.9.2018 for specified purposes, 10.12.2018 for specified purposes, 18.7.2019 for specified purposes, 9.8.2019 for specified purposes, 9.12.2019 for specified purposes, 7.12.2020 in so far as not already in force) by virtue of Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 4 para. 14(2)**; S.I. 2018/990, reg. 2(1)(2)(3) (with regs. 3-6); S.I. 2019/1136, reg. 2(2)(3)(4)(5) (with regs. 3-5, 7)

F478 Word in s. 64B(2) omitted (13.9.2018 for specified purposes, 10.12.2018 for specified purposes, 18.7.2019 for specified purposes, 9.8.2019 for specified purposes, 9.12.2019 for specified purposes, 7.12.2020 in so far as not already in force) by virtue of Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 4 para. 14(3)**; S.I. 2018/990, reg. 2(1)(2)(3) (with regs. 3-6); S.I. 2019/1136, reg. 2(2)(3)(4)(5) (with regs. 3-5, 7)

F479 Word in s. 64B(3) substituted (13.9.2018 for specified purposes, 10.12.2018 for specified purposes, 18.7.2019 for specified purposes, 9.8.2019 for specified purposes, 9.12.2019 for specified purposes, 7.12.2020 in so far as not already in force) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 4 para. 14(4)**; S.I. 2018/990, reg. 2(1)(2)(3) (with regs. 3-6); S.I. 2019/1136, reg. 2(2)(3)(4)(5) (with regs. 3-5, 7)

F480 Word in s. 64B(4)(a) omitted (6.7.2016) by virtue of Bank of England and Financial Services Act 2016 (c. 14), **ss. 24(3)(a)**, 41(3); S.I. 2016/627, reg. 2(1)(r)

F481 S. 64B(4)(c) and word inserted (6.7.2016) by Bank of England and Financial Services Act 2016 (c. 14), **ss. 24(3)(b)**, 41(3); S.I. 2016/627, reg. 2(1)(r)

F482 S. 64B(5) omitted (6.7.2016) by virtue of Bank of England and Financial Services Act 2016 (c. 14), **ss. 24(3)(c)**, 41(3); S.I. 2016/627, reg. 2(1)(r)

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F483 S. 64B(6A) inserted (6.7.2016) by Bank of England and Financial Services Act 2016 (c. 14), **ss. 24(3)(d)**, 41(3); S.I. 2016/627, reg. 2(1)(r)

F484 S. 64B(7) omitted (13.9.2018 for specified purposes, 10.12.2018 for specified purposes, 18.7.2019 for specified purposes, 9.8.2019 for specified purposes, 9.12.2019 for specified purposes, 7.12.2020 in so far as not already in force) by virtue of Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 4 para. 14(5)**; S.I. 2018/990, reg. 2(1)(2)(3) (with regs. 3-6); S.I. 2019/1136, reg. 2(2)(3)(4)(5) (with regs. 3-5, 7)

[F485 64C Requirement for F486... authorised persons to notify regulator of disciplinary action

(1) If—

(a) **[**F487an**]** authorised person takes disciplinary action in relation to a relevant person, and

(b) the reason, or one of the reasons, for taking that action is a reason specified in rules made by the appropriate regulator for the purposes of this section,

the F488... authorised person must notify that regulator of that fact.

(2) "Disciplinary action", in relation to a person, means any of the following—

(a) the issuing of a formal written warning;

(b) the suspension or dismissal of the person;

(c) the reduction or recovery of any of the person's remuneration.

(3) "The appropriate regulator" means—

(a) in relation to F489... PRA-authorised persons, the FCA or the PRA;

(b) in relation to any other F490... authorised persons, the FCA.

(4) "Relevant person" has the same meaning as in section 64B.

F491(5) . . . . . .**]**

Textual Amendments

F485 S. 64C inserted (25.7.2014 for specified purposes, 7.3.2016 in so far as not already in force) by Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 31**, 148(5); S.I. 2014/1819, art. 2(2)(d); S.I. 2015/490, art. 2(1)(b) (with savings and transitional provisions in S.I. 2015/492 (as amended by S.I. 2015/1660))

F486 Word in s. 64C heading omitted (13.9.2018 for specified purposes, 10.12.2018 for specified purposes, 18.7.2019 for specified purposes, 9.8.2019 for specified purposes, 9.12.2019 for specified purposes, 7.12.2020 in so far as not already in force) by virtue of Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 4 para. 15(2)**; S.I. 2018/990, reg. 2(1)(2)(3) (with regs. 3-6); S.I. 2019/1136, reg. 2(2)(3)(4)(5) (with regs. 3-5, 7)

F487 Word in s. 64C(1)(a) substituted (13.9.2018 for specified purposes, 10.12.2018 for specified purposes, 18.7.2019 for specified purposes, 9.8.2019 for specified purposes, 9.12.2019 for specified purposes, 7.12.2020 in so far as not already in force) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 4 para. 15(3)(a)**; S.I. 2018/990, reg. 2(1)(2)(3) (with regs. 3-6); S.I. 2019/1136, reg. 2(2)(3)(4)(5) (with regs. 3-5, 7)

F488 Word in s. 64C(1) omitted (13.9.2018 for specified purposes, 10.12.2018 for specified purposes, 18.7.2019 for specified purposes, 9.8.2019 for specified purposes, 9.12.2019 for specified purposes, 7.12.2020 in so far as not already in force) by virtue of Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 4 para. 15(3)(b)**; S.I. 2018/990, reg. 2(1)(2)(3) (with regs. 3-6); S.I. 2019/1136, reg. 2(2)(3)(4)(5) (with regs. 3-5, 7)

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F489 Words in s. 64C(3)(a) omitted (13.9.2018 for specified purposes, 10.12.2018 for specified purposes, 18.7.2019 for specified purposes, 9.8.2019 for specified purposes, 9.12.2019 for specified purposes, 7.12.2020 in so far as not already in force) by virtue of Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 4 para. 15(4)(a)**; S.I. 2018/990, reg. 2(1)(2)(3) (with regs. 3-6); S.I. 2019/1136, reg. 2(2)(3)(4)(5) (with regs. 3-5, 7)

F490 Word in s. 64C(3)(b) omitted (13.9.2018 for specified purposes, 10.12.2018 for specified purposes, 18.7.2019 for specified purposes, 9.8.2019 for specified purposes, 9.12.2019 for specified purposes, 7.12.2020 in so far as not already in force) by virtue of Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 4 para. 15(4)(b)**; S.I. 2018/990, reg. 2(1)(2)(3) (with regs. 3-6); S.I. 2019/1136, reg. 2(2)(3)(4)(5) (with regs. 3-5, 7)

F491 S. 64C(5) omitted (13.9.2018 for specified purposes, 10.12.2018 for specified purposes, 18.7.2019 for specified purposes, 9.8.2019 for specified purposes, 9.12.2019 for specified purposes, 7.12.2020 in so far as not already in force) by virtue of Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 4 para. 15(5)**; S.I. 2018/990, reg. 2(1)(2)(3) (with regs. 3-6); S.I. 2019/1136, reg. 2(2)(3)(4)(5) (with regs. 3-5, 7)

66 Disciplinary powers.

(1) **[**F492A regulator**]** may take action against a person under this section **[**F493(whether or not it has given its approval in relation to the person)**]** if—

(a) it appears to the **[**F494regulator**]** that he is guilty of misconduct; and

(b) the **[**F495regulator**]** is satisfied that it is appropriate in all the circumstances to take action against him.

[F496(1A) For provision about when a person is guilty of misconduct for the purposes of action by a regulator—

(a) see section 66A, in the case of action by the FCA, and

(b) see section 66B, in the case of action by the PRA.**]**

F497(2) . . . . . .

F498(2A) . . . . . .

(3) If the **[**F499regulator**]** is entitled to take action under this section against a person, **[**F500it may do one or more of the following—**]**—

(a) impose a penalty on him of such amount as it considers appropriate;

[F501(aa) suspend, for such period as it considers appropriate, any approval of the performance by him of any function to which the approval relates;

[F502(ab) impose, for such period as it considers appropriate, any conditions in relation to any such approval which it considers appropriate;

(ac) limit the period for which any such approval is to have effect;**]**

(b) publish a statement of his misconduct.

F503(3A) **[** The period for which a suspension or **[**F504condition**]** is to have effect may not exceed two years.

(3B) A suspension **[**F505, condition or limitation**]** may have effect in relation to part of a function.

(3C) A **[**F506condition**]** may, in particular, be imposed so as to require any person to take, or refrain from taking, specified action.

(3D) **[**F507The regulator taking action under this section**]** may—

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(a) withdraw a suspension **[**F508, condition or limitation**]**; F509...

(b) vary a suspension or **[**F510condition**]** so as to reduce the period for which it has effect or otherwise to limit its effect.

[F511(c) vary a limitation so as to increase the period for which the approval is to have effect.**]]**

(4) **[**F512A regulator**]** may not take action under this section after the end of the **[**F513 relevant period**]** beginning with the first day on which **[**F514the regulator**]** knew of the misconduct, unless proceedings in respect of it against the person concerned were begun before the end of that period.

(5) For the purposes of subsection (4)—

(a) **[**F515a regulator**]** is to be treated as knowing of misconduct if it has information from which the misconduct can reasonably be inferred; and

(b) proceedings against a person in respect of misconduct are to be treated as begun when a warning notice is given to him under section 67(1).

[F516(5ZA) "The relevant period" is—

(a) in relation to misconduct which occurs before the day on which this subsection comes into force, the period of 3 years, and

(b) in relation to misconduct which occurs on or after that day, the period of 6 years.**]**

[F517(5A) "Approval" means an approval given under section 59.**]**

F518(6) . . . . . .

F519(7) . . . . . .

[F520(8) In relation to any time while a suspension is in force under subsection (3)(aa) in relation to part of a function, any reference in section 59 or 63A to the performance of a function includes the performance of part of a function.

(9) If at any time a **[**F521condition**]** imposed under subsection (3)(ab) is contravened, the approval in relation to the person concerned is to be treated for the purposes of sections 59 and 63A as if it had been withdrawn at that time.**]]**

Textual Amendments

F492 Words in s. 66(1) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 5 para. 14(2)(a)(i)** (with Sch. 20); S.I. 2013/113, art. 2(1)(b), Sch. Pt. 2; S.I. 2013/423, art. 3, Sch.

F493 Words in s. 66(1) inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 5 para. 14(2)(a)(ii)** (with Sch. 20); S.I. 2013/113, art. 2(1)(b), Sch. Pt. 2; S.I. 2013/423, art. 3, Sch.

F494 Word in s. 66(1)(a) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 5 para. 14(2)(b)** (with Sch. 20); S.I. 2013/113, art. 2(1)(b), Sch. Pt. 2; S.I. 2013/423, art. 3, Sch.

F495 Word in s. 66(1)(b) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 5 para. 14(2)(b)** (with Sch. 20); S.I. 2013/113, art. 2(1)(b), Sch. Pt. 2; S.I. 2013/423, art. 3, Sch.

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F496 S. 66(1A) inserted (7.3.2016) by Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 32(1)(a)**, 148(5); S.I. 2015/490, art. 2(1)(c) (as amended by S.I. 2015/2055, art. 2(3) and with savings and transitional provisions in S.I. 2015/492 (as amended by S.I. 2015/1660))

F497 S. 66(2) omitted (7.3.2016) by virtue of Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 32(1)(b)**, 148(5); S.I. 2015/490, art. 2(1)(c) (as amended by S.I. 2015/2055, art. 2(3) and with savings and transitional provisions in S.I. 2015/492 (as amended by S.I. 2015/1660))

F498 S. 66(2A) omitted (7.3.2016) by virtue of Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 32(1)(b)**, 148(5); S.I. 2015/490, art. 2(1)(c) (as amended by S.I. 2015/2055, art. 2(3) and with savings and transitional provisions in S.I. 2015/492 (as amended by S.I. 2015/1660))

F499 Word in s. 66(3) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 5 para. 14(4)** (with Sch. 20); S.I. 2013/113, art. 2(1)(b), Sch. Pt. 2; S.I. 2013/423, art. 3, Sch.

F500 Words in s. 66(3) inserted (8.6.2010) by Financial Services Act 2010 (c. 28), **ss. 12(2)(a)**, 26(2)(b)

F501 S. 66(3)(aa)(ab) inserted (8.6.2010) by Financial Services Act 2010 (c. 28), **ss. 12(2)(b)**, 26(2)(b)

F502 S. 66(3)(ab)(ac) substituted for s. 66(3)(ab) (7.3.2016) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 3 para. 5(2)**; S.I. 2015/490, art. 2(1)(b) (with savings and transitional provisions in S.I. 2015/492 (as amended by S.I. 2015/1660))

F503 S. 66(3A)-(3D) inserted (8.6.2010) by Financial Services Act 2010 (c. 28), **ss. 12(3)**, 26(2)(b)

F504 Word in s. 66(3A) substituted (7.3.2016) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 3 para. 5(3)**; S.I. 2015/490, art. 2(1)(b) (with savings and transitional provisions in S.I. 2015/492 (as amended by S.I. 2015/1660))

F505 Words in s. 66(3B) substituted (7.3.2016) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 3 para. 5(4)**; S.I. 2015/490, art. 2(1)(b) (with savings and transitional provisions in S.I. 2015/492 (as amended by S.I. 2015/1660))

F506 Word in s. 66(3C) substituted (7.3.2016) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 3 para. 5(5)**; S.I. 2015/490, art. 2(1)(b) (with savings and transitional provisions in S.I. 2015/492 (as amended by S.I. 2015/1660))

F507 Words in s. 66(3D) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 5 para. 14(5)** (with Sch. 20); S.I. 2013/113, art. 2(1)(b), Sch. Pt. 2; S.I. 2013/423, art. 3, Sch.

F508 Words in s. 66(3D)(a) substituted (7.3.2016) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 3 para. 5(6)(a)**; S.I. 2015/490, art. 2(1)(b) (with savings and transitional provisions in S.I. 2015/492 (as amended by S.I. 2015/1660))

F509 Word in s. 66(3D)(a) omitted (7.3.2016) by virtue of Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 3 para. 5(6)(b)**; S.I. 2015/490, art. 2(1)(b) (with savings and transitional provisions in S.I. 2015/492 (as amended by S.I. 2015/1660))

F510 Word in s. 66(3D)(b) substituted (7.3.2016) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 3 para. 5(6)(c)**; S.I. 2015/490, art. 2(1)(b) (with savings and transitional provisions in S.I. 2015/492 (as amended by S.I. 2015/1660))

F511 S. 66(3D)(c) inserted (7.3.2016) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 3 para. 5(6)(d)**; S.I. 2015/490, art. 2(1)(b) (with savings and transitional provisions in S.I. 2015/492 (as amended by S.I. 2015/1660))

F512 Words in s. 66(4) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 5 para. 14(6)(a)** (with Sch. 20); S.I. 2013/113, art. 2(1)(b), Sch. Pt. 2; S.I. 2013/423, art. 3, Sch.

F513 Words in s. 66(4) substituted (25.7.2014) by Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 28(5)**, 148(5); S.I. 2014/1819, art. 2(1)(c)

F514 Words in s. 66(4) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 5 para. 14(6)(b)** (with Sch. 20); S.I. 2013/113, art. 2(1)(b), Sch. Pt. 2; S.I. 2013/423, art. 3, Sch.

F515 Words in s. 66(5)(a) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 5 para. 14(7)** (with Sch. 20); S.I. 2013/113, art. 2(1)(b), Sch. Pt. 2; S.I. 2013/423, art. 3, Sch.

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F516 S. 66(5ZA) inserted (25.7.2014) by Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 28(6)**, 148(5); S.I. 2014/1819, art. 2(1)(c)

F517 S. 66(5A) inserted (8.6.2010) by Financial Services Act 2010 (c. 28), ss. 24(1), 26(2)(d)(e), **Sch. 2 para. 8(2)**

F518 S. 66(6) omitted (7.3.2016) by virtue of Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 32(1)(b)**, 148(5); S.I. 2015/490, art. 2(1)(c) (as amended by S.I. 2015/2055, art. 2(3) and with savings and transitional provisions in S.I. 2015/492 (as amended by S.I. 2015/1660))

F519 S. 66(7) omitted (7.3.2016) by virtue of Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 32(1)(b)**, 148(5); S.I. 2015/490, art. 2(1)(c) (as amended by S.I. 2015/2055, art. 2(3) and with savings and transitional provisions in S.I. 2015/492 (as amended by S.I. 2015/1660))

F520 S. 66(8)(9) inserted (8.6.2010) by Financial Services Act 2010 (c. 28), ss. 24(1), 26(2)(d)(e), **Sch. 2 para. 8(4)**

F521 Word in s. 66(9) substituted (7.3.2016) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 3 para. 5(7)**; S.I. 2015/490, art. 2(1)(b) (with savings and transitional provisions in S.I. 2015/492 (as amended by S.I. 2015/1660))

Modifications etc. (not altering text)

C261 S. 66 modified (1.12.2001) by S.I. 2001/2657, **arts. 1(1)**, 9 (which was revoked (8.10.2001) by S.I. 2001/3083, **arts. 1(2)**, 23); S.I. 2001/3538, **art. 2(1)**
S. 66 modified (1.12.2001) by S.I. 2001/3083, **arts. 1(2)**, 9; S.I. 2001/3538, **art. 2(1)**

C262 Ss. 66-70 applied (with modifications) (1.11.2009) by The Payment Services Regulations 2009 (S.I. 2009/209), regs. 1(2)(c), 95, **Sch. 5 para. 1** (with reg. 3) (as amended (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 155(6)(a)** (with Sch. 2 para. 156))

C263 Ss. 66-70 applied (with modifications) (11.2.2010) by The Cross-Border Payments in Euro Regulations 2010 (S.I. 2010/89), reg. 19, **Sch. para. 1**

C264 Ss. 66-70 applied (with modifications) (15.1.2013) by The Payments in Euro (Credit Transfers and Direct Debits) Regulations 2012 (S.I. 2012/3122), reg. 1, Sch. para. 1 (as amended (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), Sch. 2 para. 248(6)(a))

C265 S. 66 applied (with modifications) (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services Act 2012 (Consumer Credit) Order 2013 (S.I. 2013/1882), arts. 1(1), **3(3)**

C266 Ss. 66-70 applied (with modifications) by S.I. 2011/99, Sch. 5 para. 1 (as substituted (7.3.2016) by The Financial Services (Banking Reform) Act 2013 (Consequential Amendments) Order 2016 (S.I. 2016/163), arts. 1, **4**)

C267 Ss. 66-70 applied (with modifications) by S.I. 2009/209, Sch. 5 para. 1 (as substituted (7.3.2016) by The Financial Services (Banking Reform) Act 2013 (Consequential Amendments) Order 2016 (S.I. 2016/163), arts. 1, **3**)

C268 Ss. 66-70 applied (with modifications) S.I. 2012/3122, Sch. para. 1 (as amended) (7.3.2016) by The Financial Services (Banking Reform) Act 2013 (Consequential Amendments) Order 2016 (S.I. 2016/163), arts. 1, **5**

C269 Ss. 66-70 applied (with modifications) (1.1.2019) by The Securitisation Regulations 2018 (S.I. 2018/1288), reg. 1, **Sch. 1 para. 1** (with Sch. 1 paras. 13, 14)

C270 Ss. 66-70 applied (with modifications) (30.4.2011) by The Electronic Money Regulations 2011 (S.I. 2011/99), regs. 1(2)(b), 62, **Sch. 3 para. 1** (with art. 3) (as amended (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 196(5)(a)** and (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), s. 86(3), **Sch. 2 para. 62(a)** (with s. 2(3)); S.I. 2023/779, reg. 4(zz)(iv))

C271 Ss. 66-70 applied (with modifications) (13.8.2017 for specified purposes, 13.1.2018 in so far as not already in force) by The Payment Services Regulations 2017 (S.I. 2017/752), reg. 1(2)(b)(i)(6), **Sch. 6 para. 1** (with reg. 3) (as amended (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), s. 86(3), **Sch. 2 para. 72(a)** (with s. 2(3)); S.I. 2023/779, reg. 4(zz)(iv))

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C272 S. 66 applied (with modifications) (14.1.2025 for specified purposes) by The Short Selling Regulations 2025 (S.I. 2025/29), regs. 2(2)(3), 24, 25, Sch. 1 Pts. 1, **2**

C273 S. 66(3)(a) restricted (1.12.2001) by S.I. 2001/3592, **arts. 1(2)**, 60(2) (with art. 23(2))

[F522 66A Misconduct: action by the FCA

(1) For the purposes of action by the FCA under section 66, a person is guilty of misconduct if any of conditions A to C is met in relation to the person.

(2) Condition A is that—

(a) the person has at any time failed to comply with rules made by the FCA under section 64A, and

(b) at that time the person was—

(i) an approved person, F523...

(ii) an employee of **[**F524an**]** authorised person **[**F525, or

(iii) a director of an authorised person**]**.

(3) Condition B is that—

(a) the person has at any time been knowingly concerned in a contravention of a relevant requirement by an authorised person, and

(b) at that time the person was—

(i) an approved person in relation to the authorised person, F526...

(ii) F527... an employee of the authorised person **[**F528, or

(iii) a director of the authorised person**]**.

(4) In this section "relevant requirement" means a requirement—

(a) imposed by or under this Act, F529...

[F530(aa) imposed by the Alternative Investment Fund Managers Regulations 2013 F531...;**]**

[F532(ab) imposed by the Undertakings for Collective Investment in Transferable Securities Regulations 2011, F533...**]**

[F534(ac) imposed by or under the Securitisation Regulations 2024, or**]**

(b) imposed by any **[**F535qualifying provision**]** specified, or of a description specified, for the purposes of this subsection by the Treasury by order.

(5) Condition C is that—

(a) the person has at any time been a senior manager in relation to **[**F536an**]** authorised person,

(b) there has at that time been (or continued to be) a contravention of a relevant requirement by the authorised person, F537...

(c) the senior manager was at that time responsible for the management of any of the authorised person's activities in relation to which the contravention occurred **[**F538, and

(d) the senior manager did not take such steps as a person in the senior manager's position could reasonably be expected to take to avoid the contravention occurring (or continuing).**]**

F539(6) . . . . . .

(7) For the purposes of subsection (5)—

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"senior manager", in relation to **[**F540an**]** authorised person, means a person who has approval under section 59 to perform a designated senior management function in relation to the carrying on by the authorised person of a regulated activity;

F541...

(8) In this section—

"approved person"—

(a) means a person in relation to whom an approval is given under section 59, and

(b) in relation to an authorised person, means a person in relation to whom such approval is given on the application of the authorised person;

[F542"director", in relation to an authorised person, has the same meaning as in section 64A;**]**

"employee", in relation to a person, has the same meaning as in section 64A.

F543(9) . . . . . .

Textual Amendments

F522 Ss. 66A, 66B inserted (7.3.2016 for specified purposes, 10.5.2016 in so far as not already in force) by Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 32(2)**, 148(5); S.I. 2015/490, art. 2(1)(e) (as inserted by S.I. 2015/2055, art. 2(4) and with savings and transitional provisions in S.I. 2015/492 (as amended by S.I. 2015/1660)); S.I. 2016/568, art. 2

F523 Word in s. 66A(2)(b)(i) omitted (6.7.2016) by virtue of Bank of England and Financial Services Act 2016 (c. 14), **ss. 25(2)(a)**, 41(3); S.I. 2016/627, reg. 2(1)(s)

F524 Word in s. 66A(2)(b)(ii) substituted (13.9.2018 for specified purposes, 10.12.2018 for specified purposes, 18.7.2019 for specified purposes, 9.8.2019 for specified purposes, 9.12.2019 for specified purposes, 7.12.2020 in so far as not already in force) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 4 para. 16(2)**; S.I. 2018/990, reg. 2(1)(2)(3) (with regs. 3-6); S.I. 2019/1136, reg. 2(2)(3)(4)(5) (with regs. 3-5, 7)

F525 S. 66A(2)(b)(iii) and word inserted (6.7.2016) by Bank of England and Financial Services Act 2016 (c. 14), **ss. 25(2)(b)**, 41(3); S.I. 2016/627, reg. 2(1)(s)

F526 Word in s. 66A(3)(b)(i) omitted (6.7.2016) by virtue of Bank of England and Financial Services Act 2016 (c. 14), **ss. 25(2)(c)**, 41(3); S.I. 2016/627, reg. 2(1)(s)

F527 Words in s. 66A(3)(b)(ii) omitted (13.9.2018 for specified purposes, 10.12.2018 for specified purposes, 18.7.2019 for specified purposes, 9.8.2019 for specified purposes, 9.12.2019 for specified purposes, 7.12.2020 in so far as not already in force) by virtue of Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 4 para. 16(3)**; S.I. 2018/990, reg. 2(1)(2)(3) (with regs. 3-6); S.I. 2019/1136, reg. 2(2)(3)(4)(5) (with regs. 3-5, 7)

F528 S. 66A(3)(b)(iii) and word inserted (6.7.2016) by Bank of England and Financial Services Act 2016 (c. 14), **ss. 25(2)(d)**, 41(3); S.I. 2016/627, reg. 2(1)(s)

F529 Word in s. 66A(4)(a) omitted (7.3.2016) by virtue of The Financial Services and Markets Act 2000 (Misconduct and Appropriate Regulator) Order 2015 (S.I. 2015/1864), arts. 1(2), **2(2)**

F530 S. 66A(4)(aa) inserted (7.3.2016) by The Financial Services and Markets Act 2000 (Misconduct and Appropriate Regulator) Order 2015 (S.I. 2015/1864), arts. 1(2), **2(3)**

F531 Word in s. 66A(4)(aa) omitted (18.3.2016) by virtue of The Undertakings for Collective Investment in Transferable Securities Regulations 2016 (S.I. 2016/225), regs. 1, **2(3)(a)**

F532 S. 66A(4)(ab) inserted (18.3.2016) by The Undertakings for Collective Investment in Transferable Securities Regulations 2016 (S.I. 2016/225), regs. 1, **2(3)(b)**

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F533 Word in s. 66A(4) omitted (30.1.2024 for specified purposes, 1.11.2024 in so far as not already in force) by virtue of The Securitisation Regulations 2024 (S.I. 2024/102), reg. 2(1)(e)(2), **Sch. 1 para. 3(a)** (with Sch. 3); as amended by S.I. 2024/705, regs. 1(2), 2(2)

F534 S. 66A(4)(ac) inserted (30.1.2024 for specified purposes, 1.11.2024 in so far as not already in force) by The Securitisation Regulations 2024 (S.I. 2024/102), reg. 2(1)(e)(2), **Sch. 1 para. 3(b)** (with Sch. 3); as amended by S.I. 2024/705, regs. 1(2), 2(2)

F535 Words in s. 66A(4)(b) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **27**; 2020 c. 1, Sch. 5 para. 1(1)

F536 Word in s. 66A(5)(a) substituted (13.9.2018 for specified purposes, 10.12.2018 for specified purposes, 18.7.2019 for specified purposes, 9.8.2019 for specified purposes, 9.12.2019 for specified purposes, 7.12.2020 in so far as not already in force) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 4 para. 16(4)**; S.I. 2018/990, reg. 2(1)(2)(3) (with regs. 3-6); S.I. 2019/1136, reg. 2(2)(3)(4)(5) (with regs. 3-5, 7)

F537 Word in s. 66A(5)(b) omitted (10.5.2016) by virtue of Bank of England and Financial Services Act 2016 (c. 14), **ss. 25(2)(e)**, 41(3); S.I. 2016/569, reg. 2

F538 S. 66A(5)(d) and word inserted (10.5.2016) by Bank of England and Financial Services Act 2016 (c. 14), **ss. 25(2)(f)**, 41(3); S.I. 2016/569, reg. 2

F539 S. 66A(6) omitted (10.5.2016) by virtue of Bank of England and Financial Services Act 2016 (c. 14), **ss. 25(2)(g)**, 41(3); S.I. 2016/569, reg. 2

F540 Word in s. 66A(7) substituted (13.9.2018 for specified purposes, 10.12.2018 for specified purposes, 18.7.2019 for specified purposes, 9.8.2019 for specified purposes, 9.12.2019 for specified purposes, 7.12.2020 in so far as not already in force) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 4 para. 16(5)(a)**; S.I. 2018/990, reg. 2(1)(2)(3) (with regs. 3-6); S.I. 2019/1136, reg. 2(2)(3)(4)(5) (with regs. 3-5, 7)

F541 Words in s. 66A(7) omitted (13.9.2018 for specified purposes, 10.12.2018 for specified purposes, 18.7.2019 for specified purposes, 9.8.2019 for specified purposes, 9.12.2019 for specified purposes, 7.12.2020 in so far as not already in force) by virtue of Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 4 para. 16(5)(b)**; S.I. 2018/990, reg. 2(1)(2)(3) (with regs. 3-6); S.I. 2019/1136, reg. 2(2)(3)(4)(5) (with regs. 3-5, 7)

F542 Words in s. 66A(8) inserted (6.7.2016) by Bank of England and Financial Services Act 2016 (c. 14), **ss. 25(2)(h)**, 41(3); S.I. 2016/627, reg. 2(1)(s)

F543 S. 66A(9) omitted (13.9.2018 for specified purposes, 10.12.2018 for specified purposes, 18.7.2019 for specified purposes, 9.8.2019 for specified purposes, 9.12.2019 for specified purposes, 7.12.2020 in so far as not already in force) by virtue of Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 4 para. 16(6)**; S.I. 2018/990, reg. 2(1)(2)(3) (with regs. 3-6); S.I. 2019/1136, reg. 2(2)(3)(4)(5) (with regs. 3-5, 7)

Modifications etc. (not altering text)

C269 Ss. 66-70 applied (with modifications) (1.1.2019) by The Securitisation Regulations 2018 (S.I. 2018/1288), reg. 1, **Sch. 1 para. 1** (with Sch. 1 paras. 13, 14)

C271 Ss. 66-70 applied (with modifications) (13.8.2017 for specified purposes, 13.1.2018 in so far as not already in force) by The Payment Services Regulations 2017 (S.I. 2017/752), reg. 1(2)(b)(i)(6), **Sch. 6 para. 1** (with reg. 3) (as amended (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), s. 86(3), **Sch. 2 para. 72(a)** (with s. 2(3)); S.I. 2023/779, reg. 4(zz)(iv))

C274 S. 66A applied (with modifications) (14.1.2025 for specified purposes) by The Short Selling Regulations 2025 (S.I. 2025/29), regs. 2(2)(3), 24, 25, Sch. 1 Pts. 1, **2**

66B Misconduct: action by the PRA

(1) For the purposes of action by the PRA under section 66, a person is guilty of misconduct if any of conditions A to C is met in relation to the person.

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(2) Condition A is that—

(a) the person has at any time failed to comply with rules made by the PRA under section 64A, and

(b) at that time the person was—

(i) an approved person, F544...

(ii) an employee of a F545... PRA-authorised person **[**F546, or

(iii) a director of a PRA-authorised person**]**.

(3) Condition B is that—

(a) the person has at any time been knowingly concerned in a contravention of a relevant requirement by a PRA-authorised person, and

(b) at that time the person was—

(i) an approved person in respect of the performance of a relevant senior management function in relation to the carrying on by the PRA-authorised person of a regulated activity, F547...

[an employee of the PRA-authorised person**]****[**F549, or F548(ii)

(iii) a director of the PRA-authorised person**]**.

(4) In this section "relevant requirement" means a requirement—

(a) imposed by or under this Act, F550...

[F551(aa) imposed by or under the Securitisation Regulations 2024, or**]**

(b) imposed by any **[**F552qualifying provision**]** specified, or of a description specified, for the purposes of this subsection by the Treasury by order.

(5) Condition C is that—

(a) the person has at any time been a senior manager in relation to a F553... PRA-authorised person,

(b) there has at that time been (or continued to be) a contravention of a relevant requirement by the authorised person, F554...

(c) the senior manager was at that time responsible for the management of any of the authorised person's activities in relation to which the contravention occurred **[**F555, and

(d) the senior manager did not take such steps as a person in the senior manager's position could reasonably be expected to take to avoid the contravention occurring (or continuing).**]**

F556(6) . . . . . .

(7) For the purposes of subsection (5)—

"senior manager", in relation to a F557... PRA-authorised person, means a person who has approval under section 59 to perform a designated senior management function in relation to the carrying on by the authorised person of a regulated activity;

F558...

(8) In this section—

"approved person"—

(a) means a person in relation to whom—

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(i) the PRA has given its approval under section 59, or

(ii) the FCA has given its approval under section 59 in respect of the performance by the person of a relevant senior management function in relation to the carrying on by a PRA-authorised person of a regulated activity, and

(b) in relation to an authorised person, means a person in relation to whom approval under section 59 is given on the application of the authorised person;

[F559"director", in relation to an authorised person, has the same meaning as in section 64A;**]**

"employee", in relation to a person, has the same meaning as in section 64A;

F560...

"relevant senior management function" means a function which the PRA is satisfied is a senior management function as defined in section 59ZA (whether or not the function has been designated as such by the FCA).

F561(9) . . . . . .**]**

Textual Amendments

F522 Ss. 66A, 66B inserted (7.3.2016 for specified purposes, 10.5.2016 in so far as not already in force) by Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 32(2)**, 148(5); S.I. 2015/490, art. 2(1)(e) (as inserted by S.I. 2015/2055, art. 2(4) and with savings and transitional provisions in S.I. 2015/492 (as amended by S.I. 2015/1660)); S.I. 2016/568, art. 2

F544 Word in s. 66B(2)(b)(i) omitted (6.7.2016) by virtue of Bank of England and Financial Services Act 2016 (c. 14), **ss. 25(3)(a)**, 41(3); S.I. 2016/627, reg. 2(1)(s)

F545 Word in s. 66B(2)(b)(ii) omitted (13.9.2018 for specified purposes, 10.12.2018 for specified purposes, 18.7.2019 for specified purposes, 9.8.2019 for specified purposes, 9.12.2019 for specified purposes, 7.12.2020 in so far as not already in force) by virtue of Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 4 para. 17(2)**; S.I. 2018/990, reg. 2(1)(2)(3) (with regs. 3-6); S.I. 2019/1136, reg. 2(2)(3)(4)(5) (with regs. 3-5, 7)

F546 S. 66B(2)(b)(iii) and word inserted (6.7.2016) by Bank of England and Financial Services Act 2016 (c. 14), **ss. 25(3)(b)**, 41(3); S.I. 2016/627, reg. 2(1)(s)

F547 Word in s. 66B(3)(b)(i) omitted (6.7.2016) by virtue of Bank of England and Financial Services Act 2016 (c. 14), **ss. 25(3)(c)**, 41(3); S.I. 2016/627, reg. 2(1)(s)

F548 S. 66B(3)(b)(ii) substituted (13.9.2018 for specified purposes, 10.12.2018 for specified purposes, 18.7.2019 for specified purposes, 9.8.2019 for specified purposes, 9.12.2019 for specified purposes, 7.12.2020 in so far as not already in force) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 4 para. 17(3)**; S.I. 2018/990, reg. 2(1)(2)(3) (with regs. 3-6); S.I. 2019/1136, reg. 2(2)(3)(4)(5) (with regs. 3-5, 7)

F549 S. 66B(3)(b)(iii) and word inserted (6.7.2016) by Bank of England and Financial Services Act 2016 (c. 14), **ss. 25(3)(d)**, 41(3); S.I. 2016/627, reg. 2(1)(s)

F550 Word in s. 66B(4) omitted (30.1.2024 for specified purposes, 1.11.2024 in so far as not already in force) by virtue of The Securitisation Regulations 2024 (S.I. 2024/102), reg. 2(1)(e)(2), **Sch. 1 para. 4(a)** (with Sch. 3); as amended by S.I. 2024/705, regs. 1(2), 2(2)

F551 S. 66B(4)(aa) inserted (30.1.2024 for specified purposes, 1.11.2024 in so far as not already in force) by The Securitisation Regulations 2024 (S.I. 2024/102), reg. 2(1)(e)(2), **Sch. 1 para. 4(b)** (with Sch. 3); as amended by S.I. 2024/705, regs. 1(2), 2(2)

F552 Words in s. 66B(4)(b) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **28**; 2020 c. 1, Sch. 5 para. 1(1)

F553 Word in s. 66B(5)(a) omitted (13.9.2018 for specified purposes, 10.12.2018 for specified purposes, 18.7.2019 for specified purposes, 9.8.2019 for specified purposes, 9.12.2019 for specified purposes,

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7.12.2020 in so far as not already in force) by virtue of Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 4 para. 17(4)**; S.I. 2018/990, reg. 2(1)(2)(3) (with regs. 3-6); S.I. 2019/1136, reg. 2(2)(3)(4)(5) (with regs. 3-5, 7)

F554 Word in s. 66B(5)(b) omitted (10.5.2016) by virtue of Bank of England and Financial Services Act 2016 (c. 14), **ss. 25(3)(e)**, 41(3); S.I. 2016/569, reg. 2

F555 S. 66B(5)(d) and word inserted (10.5.2016) by Bank of England and Financial Services Act 2016 (c. 14), **ss. 25(3)(f)**, 41(3); S.I. 2016/569, reg. 2

F556 S. 66B(6) omitted (10.5.2016) by virtue of Bank of England and Financial Services Act 2016 (c. 14), **ss. 25(3)(g)**, 41(3); S.I. 2016/569, reg. 2

F557 Word in s. 66B(7) omitted (13.9.2018 for specified purposes, 10.12.2018 for specified purposes, 18.7.2019 for specified purposes, 9.8.2019 for specified purposes, 9.12.2019 for specified purposes, 7.12.2020 in so far as not already in force) by virtue of Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 4 para. 17(5)(a)**; S.I. 2018/990, reg. 2(1)(2)(3) (with regs. 3-6); S.I. 2019/1136, reg. 2(2)(3)(4)(5) (with regs. 3-5, 7)

F558 Words in s. 66B(7) omitted (13.9.2018 for specified purposes, 10.12.2018 for specified purposes, 18.7.2019 for specified purposes, 9.8.2019 for specified purposes, 9.12.2019 for specified purposes, 7.12.2020 in so far as not already in force) by virtue of Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 4 para. 17(5)(b)**; S.I. 2018/990, reg. 2(1)(2)(3) (with regs. 3-6); S.I. 2019/1136, reg. 2(2)(3)(4)(5) (with regs. 3-5, 7)

F559 Words in s. 66B(8) inserted (6.7.2016) by Bank of England and Financial Services Act 2016 (c. 14), **ss. 25(3)(h)**, 41(3); S.I. 2016/627, reg. 2(1)(s)

F560 Words in s. 66B(8) omitted (13.9.2018 for specified purposes, 10.12.2018 for specified purposes, 18.7.2019 for specified purposes, 9.8.2019 for specified purposes, 9.12.2019 for specified purposes, 7.12.2020 in so far as not already in force) by virtue of Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 4 para. 17(6)**; S.I. 2018/990, reg. 2(1)(2)(3) (with regs. 3-6); S.I. 2019/1136, reg. 2(2)(3)(4)(5) (with regs. 3-5, 7)

F561 S. 66B(9) omitted (13.9.2018 for specified purposes, 10.12.2018 for specified purposes, 18.7.2019 for specified purposes, 9.8.2019 for specified purposes, 9.12.2019 for specified purposes, 7.12.2020 in so far as not already in force) by virtue of Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 4 para. 17(7)**; S.I. 2018/990, reg. 2(1)(2)(3) (with regs. 3-6); S.I. 2019/1136, reg. 2(2)(3)(4)(5) (with regs. 3-5, 7)

Modifications etc. (not altering text)

C269 Ss. 66-70 applied (with modifications) (1.1.2019) by The Securitisation Regulations 2018 (S.I. 2018/1288), reg. 1, **Sch. 1 para. 1** (with Sch. 1 paras. 13, 14)

C271 Ss. 66-70 applied (with modifications) (13.8.2017 for specified purposes, 13.1.2018 in so far as not already in force) by The Payment Services Regulations 2017 (S.I. 2017/752), reg. 1(2)(b)(i)(6), **Sch. 6 para. 1** (with reg. 3) (as amended (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), s. 86(3), **Sch. 2 para. 72(a)** (with s. 2(3)); S.I. 2023/779, reg. 4(zz)(iv))

67 Disciplinary measures: procedure and right to refer to Tribunal.

(1) If **[**F562a regulator**]** proposes to take action against a person under section 66, it must give him a warning notice**[**F563; and if it proposes to take action under subsection (3)(aa) **[**F564, (ab) or (ac)**]** of that section, it must also give each of the other interested parties a warning notice.**]**

(2) A warning notice about a proposal to impose a penalty must state the amount of the penalty.

[F565(2A) A warning notice about a proposal—

(a) to suspend an approval, or

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(b) to impose a **[**F566condition**]** in relation to the performance of a function,

must state the period for which the suspension or **[**F566condition**]** is to have effect.**]**

[F567(2B) A warning notice about a proposal to limit the period for which an approval is to have effect must state the length of that period.**]**

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

(4) If **[**F568a regulator**]** decides to take action against a person under section 66, it must give him a decision notice**[**F569; and if it decides to take action under subsection (3)(aa) **[**F570, (ab) or (ac)**]** of that section, it must also give each of the other interested parties a decision notice.**]**

(5) A decision notice about the imposition of a penalty must state the amount of the penalty.

[F571(5A) A decision notice about—

(a) the suspension of an approval, or

(b) the imposition of a **[**F572condition**]** in relation to the performance of a function,

must state the period for which the suspension or **[**F572condition**]** is to have effect.**]**

[F573(5B) A decision notice about limiting the period for which an approval is to have effect must state the length of that period.**]**

(6) A decision notice about the publication of a statement must set out the terms of the statement.

(7) If **[**F574a regulator**]** decides to take action against a person under section 66, he may refer the matter to the Tribunal**[**F575; and if **[**F576the regulator**]** decides to take action under section 66(3)(aa) **[**F577, (ab) or (ac)**]**, each of the other interested parties may also refer the matter to the Tribunal.**]**

[F578(8) Approval" means an approval given under section 59.

(9) "Other interested parties", in relation to **[**F579a person ("A") in relation to whom approval has been given,**]** are—

(a) the person on whose application the approval was given ("B"); and

(b) the person by whom A's services are retained, if not B.

F580...**]**

Textual Amendments

F562 Words in s. 67(1) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 5 para. 15(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F563 Words in s. 67(1) inserted (8.6.2010) by Financial Services Act 2010 (c. 28), ss. 24(1), 26(2)(d)(e), **Sch. 2 para. 9(2)**

F564 Words in s. 67(1) substituted (7.3.2016) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 3 para. 6(2)**; S.I. 2015/490, art. 2(1)(b) (with savings and transitional provisions in S.I. 2015/492 (as amended by S.I. 2015/1660))

F565 S. 67(2A) inserted (8.6.2010) by Financial Services Act 2010 (c. 28), ss. 24(1), 26(2)(d)(e), **Sch. 2 para. 9(3)**

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F566 Word in s. 67(2A) substituted (7.3.2016) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 3 para. 6(3)**; S.I. 2015/490, art. 2(1)(b) (with savings and transitional provisions in S.I. 2015/492 (as amended by S.I. 2015/1660))

F567 S. 67(2B) inserted (7.3.2016) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 3 para. 6(4)**; S.I. 2015/490, art. 2(1)(b) (with savings and transitional provisions in S.I. 2015/492 (as amended by S.I. 2015/1660))

F568 Words in s. 67(4) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 5 para. 15(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F569 Words in s. 67(4) inserted (8.6.2010) by Financial Services Act 2010 (c. 28), ss. 24(1), 26(2)(d)(e), **Sch. 2 para. 9(4)**

F570 Words in s. 67(4) substituted (7.3.2016) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 3 para. 6(5)**; S.I. 2015/490, art. 2(1)(b) (with savings and transitional provisions in S.I. 2015/492 (as amended by S.I. 2015/1660))

F571 S. 67(5A) inserted (8.6.2010) by Financial Services Act 2010 (c. 28), ss. 24(1), 26(2)(d)(e), **Sch. 2 para. 9(5)**

F572 Word in s. 67(5A) substituted (7.3.2016) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 3 para. 6(6)**; S.I. 2015/490, art. 2(1)(b) (with savings and transitional provisions in S.I. 2015/492 (as amended by S.I. 2015/1660))

F573 S. 67(5B) inserted (7.3.2016) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 3 para. 6(7)**; S.I. 2015/490, art. 2(1)(b) (with savings and transitional provisions in S.I. 2015/492 (as amended by S.I. 2015/1660))

F574 Words in s. 67(7) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 5 para. 15(3)(a)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F575 Words in s. 67(7) inserted (8.6.2010) by Financial Services Act 2010 (c. 28), ss. 24(1), 26(2)(d)(e), **Sch. 2 para. 9(6)**

F576 Words in s. 67(7) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 5 para. 15(3)(b)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F577 Words in s. 67(7) substituted (7.3.2016) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 3 para. 6(8)**; S.I. 2015/490, art. 2(1)(b) (with savings and transitional provisions in S.I. 2015/492 (as amended by S.I. 2015/1660))

F578 S. 67(8)(9) inserted (8.6.2010) by Financial Services Act 2010 (c. 28), ss. 24(1), 26(2)(d)(e), **Sch. 2 para. 9(7)**

F579 Words in s. 67(9) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 5 para. 15(4)(a)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F580 Words in s. 67(9) omitted (1.4.2013) by virtue of Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 5 para. 15(4)(b)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

Modifications etc. (not altering text)

C264 Ss. 66-70 applied (with modifications) (15.1.2013) by The Payments in Euro (Credit Transfers and Direct Debits) Regulations 2012 (S.I. 2012/3122), reg. 1, Sch. para. 1 (as amended (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), Sch. 2 para. 248(6)(a))

C266 Ss. 66-70 applied (with modifications) by S.I. 2011/99, Sch. 5 para. 1 (as substituted (7.3.2016) by The Financial Services (Banking Reform) Act 2013 (Consequential Amendments) Order 2016 (S.I. 2016/163), arts. 1, **4**)

C267 Ss. 66-70 applied (with modifications) by S.I. 2009/209, Sch. 5 para. 1 (as substituted (7.3.2016) by The Financial Services (Banking Reform) Act 2013 (Consequential Amendments) Order 2016 (S.I. 2016/163), arts. 1, **3**)

C268 Ss. 66-70 applied (with modifications) S.I. 2012/3122, Sch. para. 1 (as amended) (7.3.2016) by The Financial Services (Banking Reform) Act 2013 (Consequential Amendments) Order 2016 (S.I. 2016/163), arts. 1, **5**

C269 Ss. 66-70 applied (with modifications) (1.1.2019) by The Securitisation Regulations 2018 (S.I. 2018/1288), reg. 1, **Sch. 1 para. 1** (with Sch. 1 paras. 13, 14)

C270 Ss. 66-70 applied (with modifications) (30.4.2011) by The Electronic Money Regulations 2011 (S.I. 2011/99), regs. 1(2)(b), 62, **Sch. 3 para. 1** (with art. 3) (as amended (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 196(5)(a)** and (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), s. 86(3), **Sch. 2 para. 62(a)** (with s. 2(3)); S.I. 2023/779, reg. 4(zz)(iv))

C271 Ss. 66-70 applied (with modifications) (13.8.2017 for specified purposes, 13.1.2018 in so far as not already in force) by The Payment Services Regulations 2017 (S.I. 2017/752), reg. 1(2)(b)(i)(6), **Sch. 6 para. 1** (with reg. 3) (as amended (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), s. 86(3), **Sch. 2 para. 72(a)** (with s. 2(3)); S.I. 2023/779, reg. 4(zz)(iv))

C275 S. 67 excluded (1.12.2001) by S.I. 2001/3592, **arts. 1(2)**, 61(3), 85(5) (with art. 23(2))

C276 Ss. 66-70 applied (with modifications) (1.11.2009) by The Payment Services Regulations 2009 (S.I. 2009/209), regs. 1(2)(c), 95, **Sch. 5 para. 1** (with reg. 3) (as amended (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), Sch. 2 para. 155(6)(a) (with **Sch. 2 para. 156**))

C277 Ss. 66-70 applied (with modifications) (11.2.2010) by The Cross-Border Payments in Euro Regulations 2010 (S.I. 2010/89), reg. 19, **Sch. para. 1**

C278 S. 67 applied (with modifications) (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services Act 2012 (Consumer Credit) Order 2013 (S.I. 2013/1882), arts. 1(1), **3(3)**

C279 Ss. 67-70 applied (with modifications) (14.1.2025 for specified purposes) by The Short Selling Regulations 2025 (S.I. 2025/29), regs. 2(2)(3), 24, 25, Sch. 1 Pts. 1, **2**

C280 S. 67(4) modified (1.12.2001) by S.I. 2001/3592, **arts. 1(2)**, 73(2), 74(2) (with art. 23(2))

68 Publication.

After a statement under section 66 is published, **[**[F581]the regulator publishing it**]** must send a copy of it to the person concerned and to any person to whom a copy of the decision notice was given.

Textual Amendments

F581 Words in s. 68 substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 5 para. 16** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

Modifications etc. (not altering text)

C264 Ss. 66-70 applied (with modifications) (15.1.2013) by The Payments in Euro (Credit Transfers and Direct Debits) Regulations 2012 (S.I. 2012/3122), reg. 1, Sch. para. 1 (as amended (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), Sch. 2 para. 248(6)(a))

C266 Ss. 66-70 applied (with modifications) by S.I. 2011/99, Sch. 5 para. 1 (as substituted (7.3.2016) by The Financial Services (Banking Reform) Act 2013 (Consequential Amendments) Order 2016 (S.I. 2016/163), arts. 1, **4**)

C267 Ss. 66-70 applied (with modifications) by S.I. 2009/209, Sch. 5 para. 1 (as substituted (7.3.2016) by The Financial Services (Banking Reform) Act 2013 (Consequential Amendments) Order 2016 (S.I. 2016/163), arts. 1, **3**)

C268 Ss. 66-70 applied (with modifications) S.I. 2012/3122, Sch. para. 1 (as amended) (7.3.2016) by The Financial Services (Banking Reform) Act 2013 (Consequential Amendments) Order 2016 (S.I. 2016/163), arts. 1, **5**

C269 Ss. 66-70 applied (with modifications) (1.1.2019) by The Securitisation Regulations 2018 (S.I. 2018/1288), reg. 1, **Sch. 1 para. 1** (with Sch. 1 paras. 13, 14)

C270 Ss. 66-70 applied (with modifications) (30.4.2011) by The Electronic Money Regulations 2011 (S.I. 2011/99), regs. 1(2)(b), 62, **Sch. 3 para. 1** (with art. 3) (as amended (1.4.2013) by The Financial

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Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 196(5)(a)** and (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), s. 86(3), **Sch. 2 para. 62(a)** (with s. 2(3)); S.I. 2023/779, reg. 4(zz)(iv))

C271 Ss. 66-70 applied (with modifications) (13.8.2017 for specified purposes, 13.1.2018 in so far as not already in force) by The Payment Services Regulations 2017 (S.I. 2017/752), reg. 1(2)(b)(i)(6), **Sch. 6 para. 1** (with reg. 3) (as amended (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), s. 86(3), **Sch. 2 para. 72(a)** (with s. 2(3)); S.I. 2023/779, reg. 4(zz)(iv))

C279 Ss. 67-70 applied (with modifications) (14.1.2025 for specified purposes) by The Short Selling Regulations 2025 (S.I. 2025/29), regs. 2(2)(3), 24, 25, Sch. 1 Pts. 1, **2**

C281 Ss. 66-70 applied (with modifications) (1.11.2009) by The Payment Services Regulations 2009 (S.I. 2009/209), regs. 1(2)(c), 95, **Sch. 5 para. 1** (with reg. 3) (as amended (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), Sch. 2 para. 155(6)(a) (with **Sch. 2 para. 156**))

C282 Ss. 66-70 applied (with modifications) (11.2.2010) by The Cross-Border Payments in Euro Regulations 2010 (S.I. 2010/89), reg. 19, **Sch. para. 1**

C283 S. 68 applied (with modifications) (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services Act 2012 (Consumer Credit) Order 2013 (S.I. 2013/1882), arts. 1(1), **3(3)**

69 Statement of policy.

(1) **[**F582Each regulator must**]** prepare and issue a statement of its policy with respect to—

[F583(a) the imposition of penalties, suspensions**[**F584, conditions or limitations**]** under section 66;

(b) the amount of penalties under that section; F585...

(c) the period for which suspensions or **[**F586conditions**]** under that section are to have effect.**][**F587; and

(d) the period for which approvals under section 59 are to have effect as a result of a limitation under section 66.**]**

(2) **[**F588A regulator's**]** policy in determining what the amount of a penalty should be **[**F589, or what the period for which a suspension or restriction is to have effect should be,**]** must include having regard to—

(a) the seriousness of the misconduct in question in relation to the nature of the principle or requirement concerned;

(b) the extent to which that misconduct was deliberate or reckless; and

(c) whether **[**F590the person against whom action is to be taken**]** is an individual.

(3) **[**F591A regulator**]** may at any time alter or replace a statement issued **[**F592by it**]** under this section.

(4) If a statement issued under this section is altered or **[**F593replaced by a regulator, the regulator**]** must issue the altered or replacement statement.

(5) **[**F594A regulator**]** must, without delay, give the Treasury a copy of any statement which it publishes under this section.

(6) A statement issued under this section **[**F595by a regulator**]** must be published by **[**F596the regulator**]** in the way appearing to **[**F596the regulator**]** to be best calculated to bring it to the attention of the public.

(7) The **[**F597regulator**]** may charge a reasonable fee for providing a person with a copy of the statement.

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(8) In exercising, or deciding whether to exercise, its power under section 66 in the case of any particular misconduct, **[**[F598]a regulator**]** must have regard to any statement of policy published **[**[F599]by it**]** under this section and in force at the time when the misconduct in question occurred.

Textual Amendments

F582 Words in s. 69(1) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 5 para. 17(2)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F583 S. 69(1)(a)-(c) substituted (8.6.2010) for s. 69(1)(a)(b) by Financial Services Act 2010 (c. 28), ss. 24(1), 26(2)(d)(e), **Sch. 2 para. 10(2)**

F584 Words in s. 69(1)(a) substituted (25.7.2014) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 3 para. 7(a)**; S.I. 2014/1819, art. 2(4)(b)

F585 Word in s. 69(1)(b) omitted (25.7.2014) by virtue of Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 3 para. 7(b)**; S.I. 2014/1819, art. 2(4)(b)

F586 Word in s. 69(1)(c) substituted (25.7.2014) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 3 para. 7(c)**; S.I. 2014/1819, art. 2(4)(b)

F587 S. 69(1)(d) and word inserted (25.7.2014) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 3 para. 7(d)**; S.I. 2014/1819, art. 2(4)(b)

F588 Words in s. 69(2) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 5 para. 17(3)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F589 Words in s. 69(2) inserted (8.6.2010) by Financial Services Act 2010 (c. 28), ss. 24(1), 26(2)(d)(e), **Sch. 2 para. 10(3)(a)**

F590 Words in s. 69(2)(c) inserted (8.6.2010) by Financial Services Act 2010 (c. 28), ss. 24(1), 26(2)(d)(e), **Sch. 2 para. 10(3)(b)**

F591 Words in s. 69(3) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 5 para. 17(4)(a)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F592 Words in s. 69(3) inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 5 para. 17(4)(b)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F593 Words in s. 69(4) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 5 para. 17(5)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F594 Words in s. 69(5) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 5 para. 17(6)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F595 Words in s. 69(6) inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 5 para. 17(7)(a)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F596 Words in s. 69(6) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 5 para. 17(7)(b)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F597 Word in s. 69(7) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 5 para. 17(8)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F598 Words in s. 69(8) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 5 para. 17(9)(a)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

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C266 Ss. 66-70 applied (with modifications) by S.I. 2011/99, Sch. 5 para. 1 (as substituted (7.3.2016) by The Financial Services (Banking Reform) Act 2013 (Consequential Amendments) Order 2016 (S.I. 2016/163), arts. 1, **4**)

C267 Ss. 66-70 applied (with modifications) by S.I. 2009/209, Sch. 5 para. 1 (as substituted (7.3.2016) by The Financial Services (Banking Reform) Act 2013 (Consequential Amendments) Order 2016 (S.I. 2016/163), arts. 1, **3**)

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C269 Ss. 66-70 applied (with modifications) (1.1.2019) by The Securitisation Regulations 2018 (S.I. 2018/1288), reg. 1, **Sch. 1 para. 1** (with Sch. 1 paras. 13, 14)

C270 Ss. 66-70 applied (with modifications) (30.4.2011) by The Electronic Money Regulations 2011 (S.I. 2011/99), regs. 1(2)(b), 62, **Sch. 3 para. 1** (with art. 3) (as amended (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 196(5)(a)** and (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), s. 86(3), **Sch. 2 para. 62(a)** (with s. 2(3)); S.I. 2023/779, reg. 4(zz)(iv))

C271 Ss. 66-70 applied (with modifications) (13.8.2017 for specified purposes, 13.1.2018 in so far as not already in force) by The Payment Services Regulations 2017 (S.I. 2017/752), reg. 1(2)(b)(i)(6), **Sch. 6 para. 1** (with reg. 3) (as amended (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), s. 86(3), **Sch. 2 para. 72(a)** (with s. 2(3)); S.I. 2023/779, reg. 4(zz)(iv))

C279 Ss. 67-70 applied (with modifications) (14.1.2025 for specified purposes) by The Short Selling Regulations 2025 (S.I. 2025/29), regs. 2(2)(3), 24, 25, Sch. 1 Pts. 1, **2**

C284 Ss. 66-70 applied (with modifications) (1.11.2009) by The Payment Services Regulations 2009 (S.I. 2009/209), regs. 1(2)(c), 95, Sch. 5 para. 1 (with reg. 3) (as amended (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), Sch. 2 para. 155(6)(a) (with Sch. 2 para. 156))

C285 Ss. 66-70 applied (with modifications) (11.2.2010) by The Cross-Border Payments in Euro Regulations 2010 (S.I. 2010/89), reg. 19, **Sch. para. 1**

C286 S. 69 applied (with modifications) (7.6.2010) by The Credit Rating Agencies Regulations 2010 (S.I. 2010/906), **reg. 22(1)**

C287 S. 69 applied (E.W.) (9.7.2013) by The Legal Aid, Sentencing and Punishment of Offenders Act 2012 (Referral Fees) Regulations 2013 (S.I. 2013/1635), regs. 1, **29(1)**

C288 S. 69 applied (12.12.2014) by The Immigration Act 2014 (Bank Accounts) Regulations 2014 (S.I. 2014/3085), regs. 1, **28(1)**

70 Statements of policy: procedure.

(1) Before **[**[F600]a regulator issues**]** a statement under section 69, the **[**[F601]regulator**]** must publish a draft of the proposed statement in the way appearing to the **[**[F601]regulator**]** to be best calculated to bring it to the attention of the public.

(2) The draft must be accompanied by notice that representations about the proposal may be made to the **[**[F602]regulator**]** within a specified time.

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(3) Before issuing the proposed statement, the **[**[F603]regulator**]** must have regard to any representations made to it in accordance with subsection (2).

(4) If the **[**[F604]regulator**]** issues the proposed statement it must publish an account, in general terms, of—

(a) the representations made to it in accordance with subsection (2); and

(b) its response to them.

(5) If the statement differs from the draft published under subsection (1) in a way which is, in the opinion of the **[**[F605]regulator**]**, significant, the **[**[F605]regulator**]** must (in addition to complying with subsection (4)) publish details of the difference.

(6) **[**[F606]A regulator**]** may charge a reasonable fee for providing a person with a copy of a draft published **[**[F607]by it**]** under subsection (1).

(7) This section also applies to a proposal to alter or replace a statement.

Textual Amendments

F600 Words in s. 70(1) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 5 para. 18(2)(a)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F601 Word in s. 70(1) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 5 para. 18(2)(b)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F602 Word in s. 70(2) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 5 para. 18(3)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F603 Word in s. 70(3) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 5 para. 18(3)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F604 Word in s. 70(4) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 5 para. 18(3)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F605 Word in s. 70(5) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 5 para. 18(3)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F606 Words in s. 70(6) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 5 para. 18(4)(a)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F607 Words in s. 70(6) inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 5 para. 18(4)(b)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

Modifications etc. (not altering text)

C264 Ss. 66-70 applied (with modifications) (15.1.2013) by The Payments in Euro (Credit Transfers and Direct Debits) Regulations 2012 (S.I. 2012/3122), reg. 1, Sch. para. 1 (as amended (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), Sch. 2 para. 248(6)(a))

C266 Ss. 66-70 applied (with modifications) by S.I. 2011/99, Sch. 5 para. 1 (as substituted (7.3.2016) by The Financial Services (Banking Reform) Act 2013 (Consequential Amendments) Order 2016 (S.I. 2016/163), arts. 1, **4**)

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C267 Ss. 66-70 applied (with modifications) by S.I. 2009/209, Sch. 5 para. 1 (as substituted (7.3.2016) by The Financial Services (Banking Reform) Act 2013 (Consequential Amendments) Order 2016 (S.I. 2016/163), arts. 1, **3**)

C268 Ss. 66-70 applied (with modifications) S.I. 2012/3122, Sch. para. 1 (as amended) (7.3.2016) by The Financial Services (Banking Reform) Act 2013 (Consequential Amendments) Order 2016 (S.I. 2016/163), arts. 1, **5**

C269 Ss. 66-70 applied (with modifications) (1.1.2019) by The Securitisation Regulations 2018 (S.I. 2018/1288), reg. 1, **Sch. 1 para. 1** (with Sch. 1 paras. 13, 14)

C270 Ss. 66-70 applied (with modifications) (30.4.2011) by The Electronic Money Regulations 2011 (S.I. 2011/99), regs. 1(2)(b), 62, **Sch. 3 para. 1** (with art. 3) (as amended (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 196(5)(a)** and (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), s. 86(3), **Sch. 2 para. 62(a)** (with s. 2(3)); S.I. 2023/779, reg. 4(zz)(iv))

C271 Ss. 66-70 applied (with modifications) (13.8.2017 for specified purposes, 13.1.2018 in so far as not already in force) by The Payment Services Regulations 2017 (S.I. 2017/752), reg. 1(2)(b)(i)(6), **Sch. 6 para. 1** (with reg. 3) (as amended (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), s. 86(3), **Sch. 2 para. 72(a)** (with s. 2(3)); S.I. 2023/779, reg. 4(zz)(iv))

C279 Ss. 67-70 applied (with modifications) (14.1.2025 for specified purposes) by The Short Selling Regulations 2025 (S.I. 2025/29), regs. 2(2)(3), 24, 25, Sch. 1 Pts. 1, **2**

C289 Ss. 66-70 applied (with modifications) (1.11.2009) by The Payment Services Regulations 2009 (S.I. 2009/209), regs. 1(2)(c), 95, **Sch. 5 para. 1** (with reg. 3) (as amended (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), Sch. 2 para. 155(6)(a) (with **Sch. 2 para. 156**))

C290 Ss. 66-70 applied (with modifications) (11.2.2010) by The Cross-Border Payments in Euro Regulations 2010 (S.I. 2010/89), reg. 19, **Sch. para. 1**

C291 S. 70 applied (with modifications) (7.6.2010) by The Credit Rating Agencies Regulations 2010 (S.I. 2010/906), **reg. 22(1)**

C292 S. 70 applied (E.W.) (9.7.2013) by The Legal Aid, Sentencing and Punishment of Offenders Act 2012 (Referral Fees) Regulations 2013 (S.I. 2013/1635), regs. 1, **29(1)**

C293 S. 70 applied (12.12.2014) by The Immigration Act 2014 (Bank Accounts) Regulations 2014 (S.I. 2014/3085), regs. 1, **28(1)**

Breach of statutory duty

71 Actions for damages.

(1) A contravention of section 56(6) or 59(1) or (2) is actionable at the suit of a private person who suffers loss as a result of the contravention, subject to the defences and other incidents applying to actions for breach of statutory duty.

(2) In prescribed cases, a contravention of that kind which would be actionable at the suit of a private person is actionable at the suit of a person who is not a private person, subject to the defences and other incidents applying to actions for breach of statutory duty.

(3) "Private person" has such meaning as may be prescribed.

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Commencement Information

I13 S. 71 wholly in force at 1.12.2001; s. 71 not in force at Royal Assent see s. 431(2); s. 71(2)(3) in force for certain purposes at 25.2.2001 by S.I. 2001/516, art. 2(b), **Sch. Pt. 2**; s. 71 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**

[F608 "Relevant authorised person"]

Textual Amendments

F608 S. 71A and cross-heading inserted (25.7.2014) by Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 33**, 148(5); S.I. 2014/1819, art. 2(1)(d)

F609 71A Meaning of "relevant authorised person"

. . . . . .

Textual Amendments

F609 S. 71A omitted (13.9.2018 for specified purposes, 10.12.2018 for specified purposes, 18.7.2019 for specified purposes, 9.8.2019 for specified purposes, 9.12.2019 for specified purposes, 7.12.2020 for specified purposes, 9.12.2020 for specified purposes, 7.12.2021 in so far as not already in force) by virtue of Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 4 para. 18**; S.I. 2018/990, reg. 2(1)(2)(3) (with regs. 3-6); S.I. 2019/1136, reg. 2(2)(3)(4)(5)(6)(7) (with regs. 3, 3-5, 5, 7)

[F610 Removal of directors and senior executives and appointment of temporary manager

Textual Amendments

F610 Ss. 71B-71I and cross-heading inserted (16.12.2016) by The Bank Recovery and Resolution Order 2016 (S.I. 2016/1239), arts. 1(2), **32**

71B. Removal of directors and senior executives

(1) If the appropriate regulator is satisfied that the conditions in section 71D(1) and (2) are met in relation to a relevant firm, the appropriate regulator may require the firm to remove—

(a) any person who is a director of the firm;

(b) any person who is a senior executive of the firm.

(2) If the appropriate regulator imposes a requirement under subsection (1), the regulator may also require the relevant firm—

(a) to replace a director or senior executive who has been removed, and

(b) to take any step needed to give effect to the replacement, including, where necessary, calling a general meeting of the firm's shareholders or members.

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F611 **[** If the appropriate regulator is satisfied that the condition in section 71D(4A) is met in (3) relation to a person who is a director of an institution, of a financial holding company or of a mixed financial holding company, the appropriate regulator may require that institution, financial holding company or mixed financial holding company to remove that person from the board of directors.**]**

Textual Amendments

F611 S. 71B(3) inserted (29.12.2020) by The Financial Holding Companies (Approval etc.) and Capital Requirements (Capital Buffers and Macro-prudential Measures) (Amendment) (EU Exit) Regulations 2020 (S.I. 2020/1406), regs. 1(4), **2(2)** (with reg. 5)

71C. Temporary manager

(1) If the appropriate regulator is satisfied—

(a) in the case of a relevant firm, that the conditions in section 71D(1), (2) and (4) are met in relation to that firm, or

(b) in the case of a parent undertaking which is not a relevant firm, that the conditions in section 71D(1) and (4) are met in relation to that parent undertaking,

the appropriate regulator may appoint a person to act (or one or more persons to act jointly) as a temporary manager of that firm or that parent undertaking.

(2) Where the appropriate regulator makes an appointment under subsection (1) in relation to a parent undertaking which is not a relevant firm, the regulator may also require the undertaking to remove—

(a) all of its directors;

(b) all of its senior executives.

(3) A temporary manager may be appointed under subsection (1)—

(a) to replace the directors of a relevant firm or a parent undertaking where they have been removed in compliance with a requirement imposed under section 71B or subsection (2), or

(b) to work with the directors of a relevant firm or a parent undertaking.

(4) A temporary manager has the functions specified in the instrument of appointment (see section 71F).

(5) The functions which may be specified include (amongst other things)—

(a) ascertaining the financial position of the relevant firm or the parent undertaking;

(b) managing the business or part of the business of the relevant firm or the parent undertaking in order to preserve or restore the financial position of the firm or the parent undertaking;

(c) taking measures to restore the prudent management of the relevant firm or the parent undertaking;

(d) any function of the directors.

(6) The temporary manager may, with the consent of the appropriate regulator—

(a) require the directors to call a general meeting of the shareholders or members of the relevant firm or the parent undertaking, or

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(b) in the case where all of the directors have been removed in compliance with a requirement imposed under section 71B or subsection (2), call a general meeting of the shareholders or members of the relevant firm or the parent undertaking.

(7) The temporary manager may propose business for consideration at the general meeting.

(8) If the temporary manager is being appointed to work with the directors, the appropriate regulator—

(a) may require the directors not to exercise specified functions during the period of appointment;

(b) may require the directors to consult the temporary manager, or obtain the consent of the temporary manager, before taking specified decisions or specified action.

"Specified" means specified in the requirement.

71D. Sections 71B and 71C: conditions

(1) The condition in this subsection is met in relation to a relevant firm or a parent undertaking if—

(a) there is a deterioration in the financial situation of the relevant firm or the parent undertaking which is a significant deterioration, or

(b) there is a serious infringement by the relevant firm or the parent undertaking of—

(i) a relevant requirement, or

(ii) its memorandum or articles of association or other constituent instrument.

(2) The condition in this subsection is met in relation to a relevant firm if it is not reasonably likely that the deterioration would be reversed or the infringement would be brought to an end by **[**F612any measure defined as a "relevant measure" by article 107 of the Bank Recovery and Resolution (No. 2) Order 2014 (S.I. 2014/3348)**]** which could be taken by the appropriate regulator under the provisions listed in subsection (3).

(3) The provisions mentioned in subsection (2) are—

(a) section 55J (variation or cancellation on initiative of regulator),

(b) section 55L (imposition of requirements by FCA),

(c) section 55M (imposition of requirements by PRA),

(d) section 55PB (requirements relating to general meetings),

(e) section 56 (prohibition orders),

(f) section 63 (withdrawal of approval),

(g) section 63ZA (variation of senior manager's approval at request of authorised person),

(h) section 63ZB (variation of senior manager's approval on initiative of regulator),

(i) section 63A (power to impose penalties),

(j) section 66 (disciplinary powers),

(k) Part 12A (powers exercisable in relation to parent undertakings), or

(l) Part 14 (disciplinary measures).

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(4) The condition in this subsection is met if the following action would not be sufficient to reverse the deterioration or bring the infringement to an end—

(a) in the case of a relevant firm, the imposition of one or more requirements under section 71B (removal and replacement of directors and senior executives); or

(b) in the case of a parent undertaking which is not a relevant firm, the exercise of any of the appropriate regulator's powers under Part 12A.

F613 **[** (4A) The condition in this subsection is met in relation to a director of an institution, of a financial holding company or of a mixed financial holding company, if the director—

(a) is no longer of sufficiently good repute to perform their duties,

(b) no longer possesses sufficient knowledge, skills, experience, honesty, integrity or independence of mind to perform their duties, or

(c) is no longer able to commit sufficient time to perform their duties.**]**

(5) For the purposes of this section—

(a) "relevant requirement" has the meaning given in section 204A;

(b) a deterioration in the financial situation of the relevant firm or the parent undertaking is significant if—

(i) in the case of a relevant firm, or a parent undertaking which is an authorised person, it no longer satisfies, or is likely to fail to satisfy, the threshold conditions relating to its financial resources which apply to it under Schedule 6;

(ii) in the case of a parent undertaking which is not an authorised person, the deterioration threatens the viability of the parent undertaking.

Textual Amendments

F612 Words in s. 71D(2) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **29**; 2020 c. 1, Sch. 5 para. 1(1)

F613 S. 71D(4A) inserted (29.12.2020) by The Financial Holding Companies (Approval etc.) and Capital Requirements (Capital Buffers and Macro-prudential Measures) (Amendment) (EU Exit) Regulations 2020 (S.I. 2020/1406), regs. 1(4), **2(3)** (with reg. 5)

71E. Temporary manager: further provisions in relation to the appointment

(1) Before appointing a person to act as a temporary manager, the appropriate regulator must be satisfied that the person—

(a) has the qualifications, ability and knowledge to carry out the functions to be given to the temporary manager, and

(b) would not be subject to any conflict of interest as a result of the appointment.

(2) A person may not be appointed to act as a temporary manager for a period longer than one year, but is eligible for re-appointment (or further re-appointment) if subsection 71C(1) continues to apply in relation to the relevant firm or parent undertaking.

(3) The appropriate regulator may vary the terms of the appointment of a temporary manager, or remove the temporary manager, at any time.

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(4) A temporary manager is not liable for damages in respect of anything done in good faith for the purposes of or in connection with the functions of the appointment (subject to section 8 of the Human Rights Act 1998).

71F. Temporary manager: instrument of appointment

(1) The power in section 71C(1) is to be exercised by an instrument of appointment.

(2) The instrument of appointment must—
- (a) specify the functions of the temporary manager,
- (b) specify the date on which the appointment of the temporary manager has effect,
- (c) specify the period for which the temporary manager is appointed, and
- (d) make provision for the resignation and replacement of the person who is appointed as the temporary manager.

(3) The instrument of appointment may—
- (a) require the temporary manager to consult the appropriate regulator or other specified person before exercising specified functions,
- (b) specify particular matters on which the appropriate regulator or other specified person must be consulted, and
- (c) provide that the temporary manager is not to exercise specified functions without the consent of the appropriate regulator or other specified person.

(4) The instrument of appointment may require the temporary manager to make reports to the appropriate regulator, at specified times or intervals, on—
- (a) the financial position of the relevant firm or the parent undertaking,
- (b) the actions taken by the temporary manager during the course of the temporary manager's appointment,
- (c) any other specified matters.

(5) In subsections (3) and (4), "specified" means specified in the instrument of appointment.

(6) The instrument of appointment may provide for the payment of remuneration and allowances to a temporary manager.

(7) Provision under subsection (6) may provide that the amounts are—
- (a) to be paid by the appropriate regulator, or
- (b) to be determined by the appropriate regulator and paid by the relevant firm or the parent undertaking.

(8) If a temporary manager—
- (a) is appointed to replace the directors of the relevant firm or the parent undertaking, or
- (b) is appointed to work with the directors of the relevant firm or the parent undertaking and has the power to represent that firm or parent undertaking,

the appropriate regulator must publish the instrument of appointment on its website.

71G. Right to refer matters to the Tribunal

(1) A relevant firm which is aggrieved by—

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(a) the imposition of a requirement on that firm under section 71B, or

(b) the appointment, or the terms of the appointment, of a person to act as a temporary manager of that firm under section 71C(1),

may refer the matter to the Tribunal.

[F614(1A) An institution, financial holding company or mixed financial holding company which is aggrieved by the imposition of a requirement on that institution or holding company under section 71B(3) may refer the matter to the Tribunal.**]**

(2) A parent undertaking which is aggrieved by—

(a) the imposition of a requirement on that parent undertaking under section 71C(2), or

(b) the appointment, or the terms of the appointment, of a person to act as a temporary manager of that parent undertaking under section 71C(1),

may refer the matter to the Tribunal.

(3) A director (or a former director) of a relevant firm or a parent undertaking who is aggrieved by the imposition of a requirement on that director under section 71C(8) may refer the matter to the Tribunal.

(4) A director or senior executive (or a former director or senior executive) of a relevant firm or a parent undertaking who is aggrieved by the imposition of a requirement on that firm or parent undertaking under section **[**F615 71B(1) or (2)**]** or 71C(2) may refer the matter to the Tribunal.

[F616(5) A director (or former director) of an institution, a financial holding company or a mixed financial holding company who is aggrieved by the imposition of a requirement on that institution or holding company under section 71B(3) may refer the matter to the Tribunal.**]**

Textual Amendments

F614 S. 71G(1A) inserted (29.12.2020) by The Financial Holding Companies (Approval etc.) and Capital Requirements (Capital Buffers and Macro-prudential Measures) (Amendment) (EU Exit) Regulations 2020 (S.I. 2020/1406), regs. 1(4), **2(4)(a)** (with reg. 5)

F615 Words in s. 71G(4) substituted (29.12.2020) by The Financial Holding Companies (Approval etc.) and Capital Requirements (Capital Buffers and Macro-prudential Measures) (Amendment) (EU Exit) Regulations 2020 (S.I. 2020/1406), regs. 1(4), **2(4)(b)** (with reg. 5)

F616 S. 71G(5) inserted (29.12.2020) by The Financial Holding Companies (Approval etc.) and Capital Requirements (Capital Buffers and Macro-prudential Measures) (Amendment) (EU Exit) Regulations 2020 (S.I. 2020/1406), regs. 1(4), **2(4)(c)** (with reg. 5)

71H. Removal of directors and senior executives and appointment of temporary manager: procedure

(1) A requirement under section 71B or 71C(2) or (8) or the appointment of a temporary manager under section 71C(1) may be expressed to take effect immediately or on a specified date only if the appropriate regulator, having regard to the grounds for imposing the requirement or making the appointment, reasonably considers that it is necessary for the requirement or the appointment to take effect immediately or on that date.

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(2) If either regulator proposes to impose a requirement on a relevant firm **[**F617, institution, financial holding company or mixed financial holding company**]** under section 71B or a parent undertaking under section 71C(2), or imposes such a requirement with immediate effect, it must give written notice—

(a) to that firm **[**F618, institution, holding company**]** or parent undertaking, and

(b) to each of the directors or senior executives to whom the requirement relates ("the interested parties").

(3) If either regulator—

(a) proposes to appoint a person to act as a temporary manager under section 71C or to vary the terms on which such a person is appointed, or

(b) makes such an appointment or variation with immediate effect,

the regulator must give written notice to the relevant firm or the parent undertaking concerned.

(4) If either regulator proposes to impose a requirement on the directors under section 71C(8), or imposes such a requirement with immediate effect, the regulator must give written notice to each director.

(5) A notice given under subsection (2) must—

(a) give details of the requirement,

(b) identify each of the directors or senior executives to whom the requirement relates,

(c) give the regulator's reasons for imposing the requirement—

(i) in the case of a notice given to the relevant firm **[**F619, the financial holding company, the mixed financial holding company**]** or the parent undertaking, in relation to each interested party;

(ii) in the case of a notice given to an interested party, in relation to that interested party,

(d) inform the relevant firm **[**F620, the financial holding company, the mixed financial holding company**]** or the parent undertaking and the interested parties that each of them may make representations to the regulator within such period as may be specified in the notice (whether or not the matter has been referred to the Tribunal),

(e) state when the requirement takes effect, and

(f) inform the relevant firm **[**F621, the financial holding company, the mixed financial holding company**]** or the parent undertaking and each of the interested parties of their right to refer the matter to the Tribunal.

(6) A notice given under subsection (3) must—

(a) state when the appointment or variation takes effect, and be accompanied by the instrument, or revised instrument, of appointment,

(b) give the regulator's reasons for making the appointment or variation,

(c) inform the relevant firm or the parent undertaking that it may make representations to the regulator within such period as may be specified in the notice (whether or not the matter has been referred to the Tribunal), and

(d) inform the relevant firm or the parent undertaking of its right to refer the matter to the Tribunal.

(7) A notice given under subsection (4) must—

(a) give details of the requirement,

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(b) give the regulator's reasons for imposing the requirement,

(c) state when the requirement takes effect,

(d) inform the director that the director may make representations to the regulator within such period as may be specified in the notice (whether or not the matter has been referred to the Tribunal), and

(e) inform the director of the director's right to refer the matter to the Tribunal.

(8) The regulator may extend the period allowed by the notice given under subsection (2), (3) or (4) for making representations.

(9) If, having considered any representations made by a person to whom notice (the "original notice") has been given under subsection (2), (3) or (4), the regulator decides—

(a) to impose the requirement, make the appointment or vary the terms of an appointment in accordance with the original notice, or

(b) not to rescind the imposition of any such requirement or the making of any such appointment or variation which has already taken effect,

the regulator must give written notice to each person to whom the original notice was given.

(10) A notice under subsection (9) must inform the person to whom it is given of the right of that person to refer the matter to the Tribunal and give an indication of the procedure on such a reference.

(11) If, having considered any representations made by a person to whom notice (the "original notice") has been given under subsection (2), (3) or (4), the regulator decides—

(a) to impose a requirement, make an appointment or a vary the terms of an appointment in a way that is different from the requirement, appointment or variation described in the original notice,

(b) not to impose the requirement, make the appointment or vary the terms of an appointment in accordance with the original notice, or

(c) to rescind the imposition of any such requirement, or the making of any such appointment or variation that has already taken effect,

the regulator must give written notice to each person to whom the original notice was given.

(12) A notice under subsection (11)(a) about the imposition of a requirement under section 71B or 71C(2) must comply with subsection (5).

(13) A notice under subsection (11)(a) about the appointment of a person as a temporary manager or the variation of the terms of the appointment of a person as a temporary manager must comply with subsection (6).

(14) A notice under subsection (11)(a) about the imposition of a requirement under section 71C(8) must comply with subsection (7).

(15) In this section, any reference to "appointment" includes "re-appointment".

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Textual Amendments

F617 Words in s. 71H(2) inserted (29.12.2020) by The Financial Holding Companies (Approval etc.) and Capital Requirements (Capital Buffers and Macro-prudential Measures) (Amendment) (EU Exit) Regulations 2020 (S.I. 2020/1406), regs. 1(4), **2(5)(a)(i)** (with reg. 5)

F618 Words in s. 71H(2)(a) inserted (29.12.2020) by The Financial Holding Companies (Approval etc.) and Capital Requirements (Capital Buffers and Macro-prudential Measures) (Amendment) (EU Exit) Regulations 2020 (S.I. 2020/1406), regs. 1(4), **2(5)(a)(ii)** (with reg. 5)

F619 Words in s. 71H(5)(c)(i) inserted (29.12.2020) by The Financial Holding Companies (Approval etc.) and Capital Requirements (Capital Buffers and Macro-prudential Measures) (Amendment) (EU Exit) Regulations 2020 (S.I. 2020/1406), regs. 1(4), **2(5)(b)** (with reg. 5)

F620 Words in s. 71H(5)(d) inserted (29.12.2020) by The Financial Holding Companies (Approval etc.) and Capital Requirements (Capital Buffers and Macro-prudential Measures) (Amendment) (EU Exit) Regulations 2020 (S.I. 2020/1406), regs. 1(4), **2(5)(b)** (with reg. 5)

F621 Words in s. 71H(5)(f) inserted (29.12.2020) by The Financial Holding Companies (Approval etc.) and Capital Requirements (Capital Buffers and Macro-prudential Measures) (Amendment) (EU Exit) Regulations 2020 (S.I. 2020/1406), regs. 1(4), **2(5)(b)** (with reg. 5)

71I. Sections 71B to 71H: interpretation

(1) For the purposes of sections 71B to 71H "relevant firm" means—

(a) a bank as defined in section 2 of the Banking Act 2009,

(b) a building society as defined in section 119 of the Building Societies Act 1986, or

(c) an investment firm as defined in **[**F622Article 4(1)(2) of the capital requirements regulation**]**.

(2) For the purposes of sections 71C to 71H, "parent undertaking" means an institution, financial holding company or mixed financial holding company which—

(a) is incorporated in, or formed under the law of, any part of the United Kingdom,

(b) is **[**F623a UK parent**]**, and

(c) either—

(i) has a subsidiary which is an institution, or

(ii) holds a participation (within the meaning given by Article 4.1(35) of the capital requirements regulation) in an institution.

(3) For the purposes of subsection (2), an institution, financial holding company or mixed financial holding company is **[**F624a UK parent**]** if it is not itself the subsidiary of an institution, financial holding company or mixed financial holding company set up in **[**F625the United Kingdom**]**.

(4) In **[**F626sections 71B to 71H and this section**]**—

"institution" means a credit institution or an investment firm as defined in **[**F627article 2(1) of the Bank Recovery and Resolution (No. 2) Order 2014**]**;

"financial holding company" and "mixed financial holding company" have the meanings given in Article 4.1(20) and 4.1(21) of the capital requirements regulation.

(5) For the purposes of sections 71B to 71H—

"appropriate regulator" means—

(a) in relation to a PRA-authorised person, the PRA,

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(b) in relation to any other authorised person, the FCA,

(c) in relation to a parent undertaking that is not an authorised person—

(i) the PRA, where the PRA is the consolidating supervisor in relation to that undertaking;

(ii) the FCA, where the FCA is the consolidating supervisor in relation to that undertaking;

(d) **[**F628in relation to a financial holding company or mixed financial holding company which is not a parent undertaking—

(i) the PRA, where the holding company is approved by the PRA under Part 12B;

(ii) the FCA in all other cases;**]**

"consolidating supervisor" means the competent authority responsible for the exercise of supervision on the basis of the consolidated situation (within the meaning of Article 4.1(47) of the capital requirements regulation) of an institution which is **[**F629a UK parent**]**;

"director" includes, in relation to an undertaking which has no board of directors, a member of the equivalent management body responsible for the management of the undertaking concerned;

F630...

"senior executive", in relation to a relevant firm or a parent undertaking, means a person who—

(a) exercises executive functions within that firm or that undertaking; and

(b) is responsible, and directly accountable to the directors, for the day to day management of that firm or that undertaking.**]**

Textual Amendments

F622 Words in s. 71I(1)(c) substituted (1.1.2022) by The Financial Services Act 2021 (Prudential Regulation of Credit Institutions and Investment Firms) (Consequential Amendments and Miscellaneous Provisions) Regulations 2021 (S.I. 2021/1376), regs. 1(3), **4(5)**

F623 Words in s. 71I(2)(b) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **30(2)**; 2020 c. 1, Sch. 5 para. 1(1)

F624 Words in s. 71I(3) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **30(3)(a)**; 2020 c. 1, Sch. 5 para. 1(1)

F625 Words in s. 71I(3) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **30(3)(b)**; 2020 c. 1, Sch. 5 para. 1(1)

F626 Words in s. 71I(4) substituted (29.12.2020) by The Financial Holding Companies (Approval etc.) and Capital Requirements (Capital Buffers and Macro-prudential Measures) (Amendment) (EU Exit) Regulations 2020 (S.I. 2020/1406), regs. 1(4), **2(6)(a)** (with reg. 5)

F627 Words in s. 71I(4) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **30(4)**; 2020 c. 1, Sch. 5 para. 1(1)

F628 Words in s. 71I(5) inserted (29.12.2020) by The Financial Holding Companies (Approval etc.) and Capital Requirements (Capital Buffers and Macro-prudential Measures) (Amendment) (EU Exit) Regulations 2020 (S.I. 2020/1406), regs. 1(4), **2(6)(b)** (with reg. 5)

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F629 Words in s. 71I(5) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **30(5)(a)**; 2020 c. 1, Sch. 5 para. 1(1)

F630 Words in s. 71I(5) omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **30(5)(b)**; 2020 c. 1, Sch. 5 para. 1(1)

[F631PART 5A

DESIGNATED ACTIVITIES

Textual Amendments

F631 Pt. 5A inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 8(2)**, 86(3); S.I. 2023/779, reg. 4(e)

[F632CHAPTER 1

GENERAL PROVISIONS]

Textual Amendments

F632 Pt. 5A Ch. 1 heading inserted (14.1.2025) by The Financial Services and Markets Act 2000 (Designated Activities) (Supervision and Enforcement) Regulations 2025 (S.I. 2025/22), reg. 1(2), **Sch. para. 2**

71K Designated activities

(1) The Treasury may by regulations provide for an activity of a specified description to be a designated activity for the purposes of this Act.

(2) Regulations under this section are referred to in this Act as designated activity regulations.

(3) Designated activity regulations may provide for an activity to be a designated activity only if the activity relates or is connected to—

(a) the financial markets or exchanges of the United Kingdom, or

(b) financial instruments, financial products or financial investments that are (or are proposed to be) issued or sold to, or by, persons in the United Kingdom.

(4) The description of an activity as a designated activity may be framed by reference to—

(a) the way in which the activity is carried on, or

(b) the description of persons who carry on the activity.

(5) Schedule 6B contains examples of activities that may be specified as designated activities.

(6) Nothing in Schedule 6B limits the powers conferred by subsection (1).

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(7) The financial instruments, financial products and financial investments mentioned in subsection (3)(b) may include cryptoassets.

71L Restrictions on carrying on of designated activities

(1) A person must not carry on a designated activity if, or to the extent that, designated activity regulations prohibit the carrying on of that activity.

(2) A person carrying on a designated activity that is not prohibited by virtue of subsection (1) must comply with—

(a) designated activity rules relating to that activity, and

(b) any other requirements imposed in relation to that activity by designated activity regulations.

(3) For the purposes of this Act designated activity rules are rules made under section 71N.

71M Designated activity regulations: general

(1) Designated activity regulations may make provision generally in relation to the carrying on of designated activities.

(2) The following are examples of provision that may be made by designated activity regulations—

(a) provision about cases in which the restrictions imposed by section 71L are to apply to persons carrying on a designated activity outside the United Kingdom;

(b) provision supplementing, or in connection with, any requirements relating to a designated activity under designated activity rules.

(3) Designated activity regulations may—

(a) provide for exemptions (including exemptions that are subject to specified conditions);

(b) confer powers on the Treasury or the FCA.

71N Designated activities: rules

(1) The FCA may make rules relating to designated activities.

(2) The power under subsection (1) is only exercisable in so far as designated activity regulations provide for the FCA to make rules—

(a) relating to the designated activity, or

(b) relating to specified matters relating to designated activities.

(3) The FCA may by notice suspend any rules made under subsection (1) for such period as it considers appropriate.

(4) Rules under subsection (1) may include provision enabling requirements imposed by the rules to be dispensed with, or modified, in such cases or circumstances as may be determined by the FCA under the rules (subject to subsection (5)).

(5) The powers under subsections (3) and (4) are only exercisable in such circumstances as may be specified in designated activity regulations.

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(6) Before suspending any rules in accordance with subsection (3), the FCA must consult the PRA.

(7) A notice under subsection (3) must be published by the FCA in the way appearing to the FCA to be best calculated to bring it to the attention of persons likely to be affected by it.

(8) The reference in section 137T(a) (supplementary powers) to "authorised persons" includes, in relation to rules made under this section, a reference to any persons to whom the rules under this section apply.

71O Designated activities: directions

(1) The FCA may by directions impose such requirements on a person, or such description of persons, relating to the carrying on of designated activities as the FCA considers appropriate.

(2) The power under subsection (1) is only exercisable in so far as designated activity regulations provide for the FCA to make directions relating to the designated activity.

(3) A requirement may, in particular, be imposed so as to require the person concerned—
(a) to take specified action, or
(b) to refrain from taking specified action.

(4) A requirement may extend to activities which are not designated activities.

(5) A direction under this section—
(a) may specify the way in which, and the time by which, a thing is to be done;
(b) may be varied;
(c) may be expressed to have effect during a specified period or until revoked.

(6) The FCA may at any time revoke a direction under this section by notice.

(7) The revocation of a direction does not affect the validity of anything previously done in accordance with it.

(8) A direction or notice under this section must be given in writing to the person or persons to whom it applies.

(9) But if in the circumstances the FCA considers it appropriate, the FCA may, in addition to, or instead of, proceeding under subsection (8), publish the direction or notice in the way appearing to the FCA to be best calculated to bring it to the attention of persons likely to be affected by it.

(10) Designated activity regulations may make provision for the exercise of the power under subsection (1) to be subject to such conditions as may be specified in the regulations.

(11) Provision under subsection (10) may (among other things) require, where the exercise of the power relates to a PRA-authorised person, consultation with the PRA.

(12) The imposition of a requirement that expires at the end of a specified period does not affect the FCA's power to impose a new requirement.

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71P Designated activities: liability

(1) Designated activity regulations may make provision about liability and compensation in connection with this Part.

(2) A contravention of a requirement under designated activity regulations or designated activity rules—

(a) does not, except as provided by designated activity regulations under section 71Q or by regulations under section 71R, make a person guilty of an offence;

(b) does not, except as provided by designated activity regulations—

(i) make any transaction void or unenforceable, or

(ii) give rise to any action for breach of statutory duty.

(3) Designated activity regulations may in particular—

(a) in cases where the regulations make provision for liability, make provision excluding civil liability (whether generally or to such extent as may be specified),

(b) make provision for liability to be determined in accordance with designated activity rules,

(c) make provision so that a person being subject to a liability includes another person being entitled as against that person to rescind or repudiate an agreement, and

(d) make provision for the purposes of subsection (1) by applying provisions of this Act with or without modifications.

71Q Designated activities: enforcement

(1) Designated activity regulations may make provision about enforcement in connection with this Part.

(2) Provision about enforcement includes (among other things) provision—

(a) requiring the supply of information;

(b) about investigations (including the making of reports);

(c) conferring powers of entry;

(d) conferring powers of inspection, search and seizure;

(e) conferring powers of censure;

(f) imposing monetary penalties;

(g) about appeals;

(h) conferring functions (including functions involving the exercise of a discretion) on a person.

(3) Designated activity regulations may in particular make provision for the purposes of subsection (1) by applying provisions of this Act with or without modifications, including any criminal offences created by this Act (and modifications made by virtue of this subsection may widen the scope of any such offences).

(4) The power under this section includes power to amend or repeal provisions of this Act.

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71R Designated activities and rules: connected amendments

(1) The Treasury may by regulations make such modifications to provision made by or under this Act or any other enactment as the Treasury consider appropriate for purposes of, or connected with, any designated activity regulations or designated activity rules.

(2) The power under subsection (1) may in particular be exercised for the purpose of removing or varying any requirement imposed by or under this Act so far as applying to the carrying on of any designated activity.

(3) The power under subsection (1) includes power to modify any criminal offence created by this Act (including by widening the scope of any such offence).

(4) In this section—

"enactment" includes—

(a) an enactment comprised in subordinate legislation (within the meaning given by section 21 of the Interpretation Act 1978),

(b) an enactment comprised in, or in an instrument made under, a Measure or Act of Senedd Cymru,

(c) an enactment comprised in, or in an instrument made under, an Act of the Scottish Parliament, and

(d) an enactment comprised in, or in an instrument made under, Northern Ireland legislation;

"modify" includes amend, repeal or revoke.

71S Designated activities regulations: Parliamentary control

(1) This section applies to regulations which contain provision made under section 71K which provides for an activity of a specified description to be a designated activity.

(2) A statutory instrument containing regulations to which this section applies, other than regulations to which subsection (3) applies, may not be made unless a draft of the instrument has been laid before Parliament and approved by a resolution of each House.

(3) This subsection applies to regulations which contain a statement made by the Treasury that they are of the opinion that, by reason of urgency, it is necessary to make the regulations without a draft of the statutory instrument containing the regulations being laid and approved under subsection (2).

(4) Where subsection (3) applies to regulations, a statutory instrument containing the regulations must be laid before Parliament after being made.

(5) Regulations contained in a statutory instrument laid before Parliament under subsection (4) cease to have effect at the end of the period of 28 days beginning with the day on which the instrument is made unless, during that period, the instrument is approved by a resolution of each House of Parliament.

(6) In calculating the period of 28 days, no account is to be taken of any whole days that fall within a period during which—

(a) Parliament is dissolved or prorogued, or

(b) either House of Parliament is adjourned for more than four days.

(7) If regulations cease to have effect as a result of subsection (5), that does not—

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(a) affect the validity of anything previously done under the regulations, or
(b) prevent the making of new regulations.

[F633CHAPTER 2

PROVISIONS RELATING TO PARTICULAR DESIGNATED ACTIVITIES

Textual Amendments

F633 Pt. 5A Ch. 2 inserted (14.1.2025) by The Financial Services and Markets Act 2000 (Designated Activities) (Supervision and Enforcement) Regulations 2025 (S.I. 2025/22), reg. 1(2), **Sch. para. 3**

"Relevant designated activity" and "relevant Part 5A requirement"

71T Meaning of "relevant designated activity" and "relevant Part 5A requirement"

(1) In this Act "relevant designated activity" means an activity that is a designated activity as a result of a provision specified in Part 1 of Schedule 6C.

(2) In this Act "relevant Part 5A requirement" means, in relation to a provision of this Act listed in the first column of the Table in Part 2 of Schedule 6C, a requirement that—
(a) is imposed by virtue of any of the designated activity regulations specified in the corresponding entry in the second column, and
(b) is of any of the descriptions specified in the corresponding entry in the third column.

Procedure relating to relevant Part 5A directions

71U Meaning of "relevant Part 5A direction" for purposes of this Chapter

For the purposes of this Chapter a "relevant Part 5A direction" is a direction given under section 71O by virtue of designated activity regulations that are specified in the first column of the Table in Part 3 of Schedule 6C, other than a direction (if any) of a description specified in the corresponding entry in the second column.

71V Procedure for giving, varying or revoking relevant Part 5A direction

(1) If the FCA proposes to give a relevant Part 5A direction, or gives such a direction with immediate effect, the FCA must give written notice to the person concerned ("P").

(2) A relevant Part 5A direction takes effect—
(a) immediately, if the notice under subsection (1) states that that is the case,
(b) on such other date as may be specified in the notice, or
(c) if no date is specified in the notice, when the matter to which the notice relates is no longer open to review.

(3) A relevant Part 5A direction may be expressed to take effect immediately, or on a specified date, only if the FCA, having regard to the ground on which it is exercising

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the power to give the direction, considers that it is necessary for the direction to take effect immediately, or on that date.

(4) The notice under subsection (1) must—

(a) give details of the direction,

(b) state the FCA's reasons for the direction and for its determination as to when the direction takes effect,

(c) inform P that P may make representations to the FCA within such period as may be specified in the notice (whether or not P has referred the matter to the Tribunal), and

(d) inform P of P's right to refer the matter to the Tribunal.

(5) The FCA may extend the period allowed under the notice for making representations.

(6) If, having considered any representations made by P, the FCA decides—

(a) to give the direction proposed, or

(b) if the direction has been given, not to revoke the direction,

it must give P written notice.

(7) If, having considered any representations made by P, the FCA decides—

(a) not to give the direction proposed,

(b) to give a different direction, or

(c) to revoke a direction which has effect,

it must give P written notice.

(8) A notice under subsection (6) must inform P of P's right to refer the matter to the Tribunal.

(9) A notice under subsection (7)(b) must comply with subsection (4).

(10) If a notice informs P of P's right to refer a matter to the Tribunal, it must give an indication of the procedure on such a reference.

(11) This section applies to the variation of a direction—

(a) on the FCA's own initiative, or

(b) in response to, but otherwise than in accordance with, an application under section 71W,

as it applies to the giving of a direction.

(12) If the FCA decides on its own initiative to revoke a direction, it must give written notice to the person concerned.

(13) For the purposes of subsection (2)(c), whether a matter is open to review is to be determined in accordance with section 391(8).

Modifications etc. (not altering text)

C294 S. 71V applied (with modifications) (14.1.2025 for specified purposes) by The Short Selling Regulations 2025 (S.I. 2025/29), regs. 2(2)(3), 24, 25, **Sch. 1 Pt. 1**

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71W Application for variation or revocation of relevant Part 5A direction

(1) A person to whom a relevant Part 5A direction has been given may apply to the FCA for the variation or revocation of the direction.

(2) An application for the variation of a direction must contain a statement of the desired variation.

(3) An application under this section must—

(a) be made in such manner as the FCA may direct, and

(b) contain, or be accompanied by, such information as the FCA may reasonably require.

(4) At any time after the application is received and before it is determined, the FCA may require the applicant to provide it with such further information as it reasonably considers necessary to enable it to determine the application.

(5) Different directions under subsection (3)(a) may be given, and different requirements under subsection (3)(b) or (4) imposed, in relation to different applications or categories of application.

(6) The FCA may require an applicant to provide information which the applicant is required to provide to it under this section in such form, or to verify it in such a way, as the FCA may direct.

(7) The applicant may withdraw the application, by giving the FCA written notice, at any time before the FCA determines it.

Modifications etc. (not altering text)

C295 S. 71W applied (with modifications) (14.1.2025 for specified purposes) by The Short Selling Regulations 2025 (S.I. 2025/29), regs. 2(2)(3), 24, 25, **Sch. 1 Pt. 1**

71X Determination of application under section 71W

(1) This section applies in relation to an application under section 71W for the variation or revocation of a direction, and in this section the applicant is referred to as "A".

(2) If the FCA grants the application, it must give A written notice stating the date from which the variation or revocation has effect.

(3) If the FCA proposes to refuse to revoke or vary the direction, it must give A written notice.

(4) A notice under subsection (3) must—

(a) state the FCA's reasons for the refusal,

(b) inform A that A may make representations to the FCA within such period as may be specified in the notice (whether or not A has referred the matter to the Tribunal), and

(c) inform A of A's right to refer the matter to the Tribunal.

(5) The FCA may extend the period allowed for making representations.

(6) If, having considered any representations made by A, the FCA decides to refuse to vary or revoke the direction, it must give A written notice.

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

(7) A notice under subsection (6) must inform A of A's right to refer the matter to the Tribunal.

(8) If a notice informs A of A's right to refer a matter to the Tribunal, it must give an indication of the procedure on such a reference.

Modifications etc. (not altering text)
C296 S. 71X applied (with modifications) (14.1.2025 for specified purposes) by The Short Selling Regulations 2025 (S.I. 2025/29), regs. 2(2)(3), 24, 25, **Sch. 1 Pt. 1**

71Y Relevant Part 5A direction: right to refer to Tribunal

A person who is aggrieved by the exercise by the FCA of its powers in relation to a relevant Part 5A direction given to that person may refer the matter to the Tribunal.**]]**

Modifications etc. (not altering text)
C297 S. 71Y applied (with modifications) (14.1.2025 for specified purposes) by The Short Selling Regulations 2025 (S.I. 2025/29), regs. 2(2)(3), 24, 25, **Sch. 1 Pt. 1**

PART VI

OFFICIAL LISTING

Modifications etc. (not altering text)
C298 Pt. 6 (ss. 72-103) applied (with modifications) (1.12.2001) by S.I. 1995/1537, **Sch. 4** (as amended (1.12.2001) by S.I. 2001/3649, **arts. 1**, 511)
C299 Pt. 6 modified (31.12.2020) by The Official Listing of Securities, Prospectus and Transparency (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/707), regs. 1(2), **73** (as amended by S.I. 2019/1234, regs. 1(2), 23 and with savings in S.I. 2019/680, reg. 11 (as amended by S.I. 2019/1234, regs. 1(3), 29(2)))); 2020 c. 1, Sch. 5 para. 1(1)

F634 **...**

Textual Amendments
F634 S. 72 and cross-heading omitted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by virtue of Financial Services Act 2012 (c. 21), **ss. 16(14)(a)**, 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F634 72 The competent authority.

. . . . . .

Status: *This version of this Act contains provisions that are prospective.*
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F635 73 General duty of the competent authority.

. . . . . .

Textual Amendments

F635 S. 73 omitted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by virtue of Financial Services Act 2012 (c. 21), **ss. 16(14)(b)**, 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

[F636 Rules]

Textual Amendments

F636 S. 73A crossheading inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), **ss. 16(4)**, 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

[F637 73A Part 6 Rules

(1) The [F638 FCA] may make rules ("Part 6 rules") for the purposes of this Part.

(2) Provisions of Part 6 rules expressed to relate to the official list are referred to in this Part as "listing rules".

F639 (3) . . . . . .

F640 (4) . . . . . .

F640 (5) . . . . . .

[Transparency rules and corporate governance rules are not listing rules F642 ... F643 ..., F641 (6) but are Part 6 rules.]]

Textual Amendments

F637 S. 73A inserted (17.3.2005) by The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2005 (S.I. 2005/381), regs. 1(3)(b), 4, **Sch. 1 para. 2**

F638 Words in ss. 73A-84 substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), **ss.**16(2)(3)(a), 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F639 S. 73A(3) omitted (3.7.2016) by virtue of The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **8(2)(a)**

F640 S. 73A(4)(5) omitted (30.1.2024 for specified purposes, 19.1.2026 in so far as not already in force) by virtue of The Public Offers and Admissions to Trading Regulations 2024 (S.I. 2024/105), reg. 2(2)(3), **Sch. 3 para. 2(2)** (with regs. 48-50); S.I. 2025/1078, reg. 5(b) (with reg. 12)

F641 S. 73A(6) inserted (8.11.2006) by Companies Act 2006 (c. 46), ss. 1272, 1300(1)(a), **Sch. 15 para. 3**

F642 Words in s. 73A(6) omitted (3.7.2016) by virtue of The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **8(2)(b)**

F643 Words in s. 73A(6) omitted (30.1.2024 for specified purposes, 19.1.2026 in so far as not already in force) by virtue of The Public Offers and Admissions to Trading Regulations 2024 (S.I. 2024/105), reg. 2(2)(3), **Sch. 3 para. 2(3)** (with regs. 48-50); S.I. 2025/1078, reg. 5(b) (with reg. 12)

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

The official list

74 The official list.

(1) The **[**F638FCA**]** must maintain the official list.

(2) The **[**F638FCA**]** may admit to the official list such securities and other things as it considers appropriate.

(3) But—

(a) nothing may be admitted to the official list except in accordance with this Part; and

(b) the Treasury may by order provide that anything which falls within a description or category specified in the order may not be admitted to the official list.

(4) F644 . . . . . .

(5) In the following provisions of this Part—

F645 . . . . . .

"listing" means being included in the official list in accordance with this Part.

Textual Amendments

F638 Words in ss. 73A-84 substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), **ss.**16(2)(3)(a), 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F644 S. 74(4) repealed (17.3.2005) by The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2005 (S.I. 2005/381), regs. 1(3)(b), 4, **Sch. 1 para. 3**

F645 S. 74(5): definition of "security" omitted (1.7.2005) by virtue of The Prospectus Regulations 2005 (S.I. 2005/1433), reg. 2(1), **Sch. 1 para. 2**

Modifications etc. (not altering text)

C300 S. 74(5) applied (1.12.2001) by S.I. 2001/2957, **arts. 1**, 8(4); S.I. 2001/3538, **art. 2(1)**

Commencement Information

I14 S. 74 wholly in force at 1.12.2001; s. 74 not in force at Royal Assent see s. 431(2); s. 74(4)(5) in force at 18.6.2001 by S.I. 2001/1820, art. 2, **Sch.**; s. 74 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**

Listing

75 Applications for listing.

(1) Admission to the official list may be granted only on an application made to the **[**F638FCA**]** in such manner as may be required by listing rules.

(2) No application for listing may be entertained by the **[**F638FCA**]** unless it is made by, or with the consent of, the issuer of the securities concerned.

(3) No application for listing may be entertained by the **[**F638FCA**]** in respect of securities which are to be issued by a body of a prescribed kind.

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(4) The **[**F638FCA**]** may not grant an application for listing unless it is satisfied that—

(a) the requirements of listing rules (so far as they apply to the application), and

(b) any other requirements imposed by **[**F638the FCA**]** in relation to the application,

are complied with.

(5) An application for listing may be refused if, for a reason relating to the issuer, the **[**F638FCA**]** considers that granting it would be detrimental to the interests of investors.

(6) An application for listing securities which are already **[**F646listed in a country or territory outside the United Kingdom**]** may be refused if the issuer has failed to comply with any obligations to which he is subject as a result of that listing.

Textual Amendments

F638 Words in ss. 73A-84 substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), **ss.**16(2)(3)(a), 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F646 Words in s. 75(6) substituted (31.12.2020) by The Official Listing of Securities, Prospectus and Transparency (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/707), regs. 1(2), **5** (with savings in S.I. 2019/680, reg. 11 (as amended by S.I. 2019/1234, regs. 1(3), 29(2))); 2020 c. 1, Sch. 5 para. 1(1)

Modifications etc. (not altering text)

C301 S. 75(1) extended (1.12.2001) by S.I. 2001/2957, **arts. 1**, 4(2); S.I. 2001/3538, **art. 2(1)**

Commencement Information

I15 S. 75 wholly in force at 1.12.2001; s. 75 not in force at Royal Assent see s. 431(2); s. 75(3) in force for specified purposes at 25.2.2001 by S.I. 2001/516, art. 2(b), **Sch. Pt. 2**; s. 75(1) in force for specified purposes at 18.6.2001 by S.I. 2001/1820, art. 2, **Sch.**; s. 75 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**

76 Decision on application.

(1) The **[**F638FCA**]** must notify the applicant of its decision on an application for listing—

(a) before the end of the period of six months beginning with the date on which the application is received; or

(b) if within that period **[**F638the FCA**]** has required the applicant to provide further information in connection with the application, before the end of the period of six months beginning with the date on which that information is provided.

(2) If the **[**F638FCA**]** fails to comply with subsection (1), it is to be taken to have decided to refuse the application.

(3) If the **[**F638FCA**]** decides to grant an application for listing, it must give the applicant written notice.

(4) If the **[**F638FCA**]** proposes to refuse an application for listing, it must give the applicant a warning notice.

(5) If the **[**F638FCA**]** decides to refuse an application for listing, it must give the applicant a decision notice.

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

(6) If the **[**F638FCA**]** decides to refuse an application for listing, the applicant may refer the matter to the Tribunal.

(7) If securities are admitted to the official list, their admission may not be called in question on the ground that any requirement or condition for their admission has not been complied with.

Textual Amendments

F638 Words in ss. 73A-84 substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), **ss.**16(2)(3)(a), 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

Modifications etc. (not altering text)

C302 S. 76(1) modified (1.12.2001) by S.I. 2001/2957, **arts. 1**, 4(3); S.I. 2001/3538, **art. 2(1)**

77 Discontinuance and suspension of listing.

(1) The **[**F638FCA**]** may, in accordance with listing rules, discontinue the listing of any securities if satisfied that there are special circumstances which preclude normal regular dealings in them.

(2) The **[**F638FCA**]** may, in accordance with listing rules, suspend the listing of any securities.

[F647(2A) The **[**F638FCA**]** may discontinue under subsection (1) or suspend under subsection (2) the listing of any securities on its own initiative or on the application of the issuer of those securities.**]**

(3) If securities are suspended under subsection (2) they are to be treated, for the purposes of **[**F648section 96 and paragraph 23(6) of Schedule 1ZA**]**, as still being listed.

[F649(3A) If securities have been suspended by the Bank of England under section 19, 39B or 48L of the Banking Act 2009 **[**F650or paragraph 44 or 65 of Schedule 11 to the Financial Services and Markets Act 2023**]**, the FCA may, following consultation with the Bank of England, cancel the suspension.**]**

(4) This section applies to securities whenever they were admitted to the official list.

(5) If the **[**F638FCA**]** discontinues or suspends the listing of any securities, **[**F651on its own initiative,**]** the issuer may refer the matter to the Tribunal.

Textual Amendments

F638 Words in ss. 73A-84 substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), **ss.**16(2)(3)(a), 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F647 S. 77(2A) inserted (12.7.2007) by The Regulatory Reform (Financial Services and Markets Act 2000) Order 2007 (S.I. 2007/1973), **art. 5(a)**

F648 Words in s. 77(3) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), **ss. 16(5)**, 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

F649 S. 77(3A) inserted (1.1.2015) by The Bank Recovery and Resolution Order 2014 (S.I. 2014/3329), arts. 1(2), **114**

F650 Words in s. 77(3A) inserted (31.12.2023) by Financial Services and Markets Act 2023 (c. 29), s. 86(3), **Sch. 11 para. 160(2)**; S.I. 2023/1382, reg. 8(b)

F651 Words in s. 77(5) inserted (12.7.2007) by The Regulatory Reform (Financial Services and Markets Act 2000) Order 2007 (S.I. 2007/1973), **art. 5(b)**

Modifications etc. (not altering text)

C303 S. 77(2) extended (1.12.2001) by S.I. 2001/2957, **arts. 1**, 8(3); S.I. 2001/3538, **art. 2(1)**

Commencement Information

I16 S. 77 wholly in force at 1.12.2001; s. 77 not in force at Royal Assent see s. 431(2); s. 77(1)(2)(4) in force for specified purposes at 18.6.2001 by S.I. 2001/1820, art. 2, **Sch.**; s. 77 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**

78 Discontinuance or suspension: procedure.

(1) A discontinuance or suspension **[**F652by the **[**F638FCA**]** on its own initiative**]** takes effect—

(a) immediately, if the notice under subsection (2) states that that is the case;

(b) in any other case, on such date as may be specified in that notice.

(2) If **[**F653on its own initiative**]** the **[**F638FCA**]**—

(a) proposes to discontinue or suspend the listing of securities, or

(b) discontinues or suspends the listing of securities with immediate effect,

it must give the issuer of the securities written notice.

(3) The notice must—

(a) give details of the discontinuance or suspension;

(b) state the **[**F638FCA's**]** reasons for the discontinuance or suspension and for choosing the date on which it took effect or takes effect;

(c) inform the issuer of the securities that he may make representations to the **[**F638FCA**]** within such period as may be specified in the notice (whether or not he has referred the matter to the Tribunal);

(d) inform him of the date on which the discontinuance or suspension took effect or will take effect; and

(e) inform him of his right to refer the matter to the Tribunal.

(4) The **[**F638FCA**]** may extend the period within which representations may be made to it.

(5) If, having considered any representations made by the issuer of the securities, the **[**F638FCA**]** decides—

(a) to discontinue or suspend the listing of the securities, or

(b) if the discontinuance or suspension has taken effect, not to cancel it,

the **[**F638FCA**]** must give the issuer of the securities written notice.

(6) A notice given under subsection (5) must inform the issuer of the securities of his right to refer the matter to the Tribunal.

(7) If a notice informs a person of his right to refer a matter to the Tribunal, it must give an indication of the procedure on such a reference.

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(8) If the **[**F638FCA**]** decides—

(a) not to discontinue or suspend the listing of the securities, or

(b) if the discontinuance or suspension has taken effect, to cancel it,

the **[**F638FCA**]** must give the issuer of the securities written notice.

(9) The effect of cancelling a discontinuance is that the securities concerned are to be readmitted, without more, to the official list.

[F654(10) If—

(a) the FCA has suspended the listing of securities on its own initiative, or securities have been suspended by the Bank of England under section 19, 39B or 48L of the Banking Act 2009, **[**F655or paragraph 44 or 65 of Schedule 11 to the Financial Services and Markets Act 2023**]** and

(b) the FCA proposes to refuse an application by the issuer of the securities for the cancellation of the suspension,

the FCA must give the issuer a warning notice.**]**

(11) The **[**F638FCA**]** must, having considered any representations made in response to the warning notice—

(a) if it decides to refuse the application, give the issuer of the securities a decision notice;

(b) if it grants the application, give him written notice of its decision.

(12) If the **[**F638FCA**]** decides to refuse an application for the cancellation of the suspension of listed securities, the applicant may refer the matter to the Tribunal.

(13) "Discontinuance" means a discontinuance of listing under section 77(1).

(14) "Suspension" means a suspension of listing under section 77(2) **[**F656and in subsections (10) and (12), includes a suspension of listing under section 19, 39B or 48L of the Banking Act 2009 **[**F657or paragraph 44 or 65 of Schedule 11 to the Financial Services and Markets Act 2023**]]**.

Textual Amendments

F638 Words in ss. 73A-84 substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), **ss.**16(2)(3)(a), 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F652 Words in s. 78(1) inserted (12.7.2007) by The Regulatory Reform (Financial Services and Markets Act 2000) Order 2007 (S.I. 2007/1973), **art. 6(a)**

F653 Words in s. 78(2) inserted (12.7.2007) by The Regulatory Reform (Financial Services and Markets Act 2000) Order 2007 (S.I. 2007/1973), **art. 6(b)**

F654 S. 78(10) substituted (1.1.2015) by The Bank Recovery and Resolution Order 2014 (S.I. 2014/3329), arts. 1(2), **115(2)**

F655 Words in s. 78(10)(a) inserted (31.12.2023) by Financial Services and Markets Act 2023 (c. 29), s. 86(3), **Sch. 11 para. 160(3)(a)**; S.I. 2023/1382, reg. 8(b)

F656 Words in s. 78(14) inserted (1.1.2015) by The Bank Recovery and Resolution Order 2014 (S.I. 2014/3329), arts. 1(2), **115(3)**

F657 Words in s. 78(14) inserted (31.12.2023) by Financial Services and Markets Act 2023 (c. 29), s. 86(3), **Sch. 11 para. 160(3)(b)**; S.I. 2023/1382, reg. 8(b)

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[F658 78A Discontinuance or suspension at the request of the issuer: procedure

(1) A discontinuance or suspension by the [F638FCA] on the application of the issuer of the securities takes effect—

[F659(a) immediately, if the notification under subsection (2) so provides;

(b) in any other case, on such date as may be provided for in that notification.]

(2) If the [F638FCA] discontinues or suspends the listing of securities on the application of the issuer of the securities it must [F660notify the issuer (whether in writing or otherwise)].

[F661(3) The notification must—

(a) notify the issuer of the date on which the discontinuance or suspension took effect or will take effect, and

(b) notify the issuer of such other matters (if any) as are specified in listing rules.]

(4) If the [F638FCA] proposes to refuse an application by the issuer of the securities for the discontinuance or suspension of the listing of the securities, it must give him a warning notice.

(5) The [F638FCA] must, having considered any representations made in response to the warning notice, if it decides to refuse the application, give the issuer of the securities a decision notice.

(6) If the [F638FCA] decides to refuse an application by the issuer of the securities for the discontinuance or suspension of the listing of the securities, the issuer may refer the matter to the Tribunal.

(7) If the [F638FCA] has suspended the listing of securities on the application of the issuer of the securities and proposes to refuse an application by the issuer for the cancellation of the suspension, it must give him a warning notice.

(8) The [F638FCA] must, having considered any representations made in response to the warning notice—

(a) if it decides to refuse the application for the cancellation of the suspension, give the issuer of the securities a decision notice;

(b) if it grants the application, give him written notice of its decision.

(9) If the [F638FCA] decides to refuse an application for the cancellation of the suspension of listed securities, the applicant may refer the matter to the Tribunal.

(10) "Discontinuance" means a discontinuance of listing under section 77(1).

(11) "Suspension" means a suspension of listing under section 77(2).]

Textual Amendments

F638 Words in ss. 73A-84 substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), **ss.**16(2)(3)(a), 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F658 S. 78A inserted (12.7.2007) by The Regulatory Reform (Financial Services and Markets Act 2000) Order 2007 (S.I. 2007/1973), **art. 7**

F659 S. 78A(1)(a)(b) substituted (19.3.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), **ss. 17(2)(a)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.; S.I. 2013/651, art. 2(a)

Status: *This version of this Act contains provisions that are prospective.*
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F660 Words in s. 78A(2) substituted (19.3.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), **ss. 17(2)(b)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.; S.I. 2013/651, art. 2(a)

F661 S. 78A(3) substituted (19.3.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), **ss. 17(2)(c)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.; S.I. 2013/651, art. 2(a)

Listing particulars

79 Listing particulars and other documents.

(1) Listing rules may provide that securities [F662]... of a kind specified in the rules may not be admitted to the official list unless—

(a) listing particulars have been submitted to, and approved by, the **[**[F638]FCA**]** and published; or

(b) in such cases as may be specified by listing rules, such document (other than listing particulars or a prospectus of a kind required by listing rules) as may be so specified has been published.

(2) "Listing particulars" means a document in such form and containing such information as may be specified in listing rules.

(3) For the purposes of this Part, the persons responsible for listing particulars are to be determined in accordance with regulations made by the Treasury.

[[F663](3A) Listing rules made under subsection (1) may not specify securities of a kind for which **[**[F664]a prospectus is required as a result of rules made by virtue of the Public Offers and Admissions to Trading Regulations 2024**]**.**]**

(4) Nothing in this section affects the **[**[F638]FCA's**]** general power to make listing rules.

Textual Amendments

F638 Words in ss. 73A-84 substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), **ss.**16(2)(3)(a), 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F662 Words in s. 79(1) repealed (1.7.2005) by The Prospectus Regulations 2005 (S.I. 2005/1433), reg. 2(1), **Sch. 1 para. 3(2)**

F663 S. 79(3A) inserted (1.7.2005) by The Prospectus Regulations 2005 (S.I. 2005/1433), reg. 2(1), **Sch. 1 para. 3(3)**

F664 Words in s. 79(3A) substituted (30.1.2024 for specified purposes, 19.1.2026 in so far as not already in force) by The Public Offers and Admissions to Trading Regulations 2024 (S.I. 2024/105), reg. 2(2)(3), **Sch. 3 para. 3** (with regs. 48-50); S.I. 2025/1078, reg. 5(b) (with reg. 12)

Modifications etc. (not altering text)

C304 S. 79 extended (1.12.2001) by S.I. 2001/2957, **arts. 1**, 6(1)(3); S.I. 2001/3538, **art. 2(1)**

Commencement Information

I17 S. 79 wholly in force at 18.6.2001; s. 79 not in force at Royal Assent see s. 431(2); s. 79(3) in force at 25.2.2001 by S.I. 2001/516, art. 2(a), **Sch. Pt. 1**; s. 79 in force so far as not already in force at 18.6.2001 by S.I. 2001/1820, art. 2, **Sch.**

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80 General duty of disclosure in listing particulars.

(1) Listing particulars submitted to the **[**F638FCA**]** under section 79 must contain all such information as investors and their professional advisers would reasonably require, and reasonably expect to find there, for the purpose of making an informed assessment of—

(a) the assets and liabilities, financial position, profits and losses, and prospects of the issuer of the securities; and

(b) the rights attaching to the securities.

(2) That information is required in addition to any information required by—

(a) listing rules, or

(b) the **[**F638FCA**]**,

as a condition of the admission of the securities to the official list.

(3) Subsection (1) applies only to information—

(a) within the knowledge of any person responsible for the listing particulars; or

(b) which it would be reasonable for him to obtain by making enquiries.

(4) In determining what information subsection (1) requires to be included in listing particulars, regard must be had (in particular) to—

(a) the nature of the securities and their issuer;

(b) the nature of the persons likely to consider acquiring them;

(c) the fact that certain matters may reasonably be expected to be within the knowledge of professional advisers of a kind which persons likely to acquire the securities may reasonably be expected to consult; and

(d) any information available to investors or their professional advisers as a result of requirements imposed on the issuer of the securities by a recognised investment exchange, by listing rules or by or under any other enactment.

Textual Amendments

F638 Words in ss. 73A-84 substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), **ss.**16(2)(3)(a), 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

81 Supplementary listing particulars.

(1) If at any time after the preparation of listing particulars which have been submitted to the **[**F638FCA**]** under section 79 and before the commencement of dealings in the securities concerned following their admission to the official list—

(a) there is a significant change affecting any matter contained in those particulars the inclusion of which was required by—

(i) section 80,

(ii) listing rules, or

(iii) the **[**F638FCA**]**, or

(b) a significant new matter arises, the inclusion of information in respect of which would have been so required if it had arisen when the particulars were prepared,

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the issuer must, in accordance with listing rules, submit supplementary listing particulars of the change or new matter to the **[**F638FCA**]**, for its approval and, if they are approved, publish them.

(2) "Significant" means significant for the purpose of making an informed assessment of the kind mentioned in section 80(1).

(3) If the issuer of the securities is not aware of the change or new matter in question, he is not under a duty to comply with subsection (1) unless he is notified of the change or new matter by a person responsible for the listing particulars.

(4) But it is the duty of any person responsible for those particulars who is aware of such a change or new matter to give notice of it to the issuer.

(5) Subsection (1) applies also as respects matters contained in any supplementary listing particulars previously published under this section in respect of the securities in question.

Textual Amendments

F638 Words in ss. 73A-84 substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), **ss.**16(2)(3)(a), 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

Modifications etc. (not altering text)

C305 S. 81 modified (1.12.2001) by S.I. 2001/2957, **arts. 1**, 6(1)(3)(4); S.I. 2001/3538, **art. 2(1)**

C306 S. 81(1) extended (1.12.2001) by S.I. 2001/2957, **arts. 1**, 6(1)(3)(4); S.I. 2001/3538, **art. 2(1)**

Commencement Information

I18 S. 81 wholly in force at 1.12.2001; s. 81 not in force at Royal Assent see s. 431(2); s. 81(1)(5) in force for specified purposes at 18.6.2001 by S.I. 2001/1820, art. 2, **Sch.**; s. 81 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**

82 Exemptions from disclosure.

(1) The **[**F638FCA**]** may authorise the omission from listing particulars of any information, the inclusion of which would otherwise be required by section 80 or 81, on the ground—

(a) that its disclosure would be contrary to the public interest;

(b) that its disclosure would be seriously detrimental to the issuer; or

(c) in the case of securities of a kind specified in listing rules, that its disclosure is unnecessary for persons of the kind who may be expected normally to buy or deal in securities of that kind.

(2) But—

(a) no authority may be granted under subsection (1)(b) in respect of essential information; and

(b) no authority granted under subsection (1)(b) extends to any such information.

(3) The Secretary of State or the Treasury may issue a certificate to the effect that the disclosure of any information (including information that would otherwise have to be included in listing particulars for which they are themselves responsible) would be contrary to the public interest.

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(4) The **[**F638FCA**]** is entitled to act on any such certificate in exercising its powers under subsection (1)(a).

(5) This section does not affect any powers of the **[**F638FCA**]** under listing rules made as a result of section 101(2).

(6) "Essential information" means information which a person considering acquiring securities of the kind in question would be likely to need in order not to be misled about any facts which it is essential for him to know in order to make an informed assessment.

(7) "Listing particulars" includes supplementary listing particulars.

Textual Amendments

F638 Words in ss. 73A-84 substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), **ss.**16(2)(3)(a), 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

Commencement Information

I19 S. 82 wholly in force at 1.12.2001; s. 82 not in force at Royal Assent see s. 431(2); s. 82(1)(5)(7) in force for specified purposes at 18.6.2001 by S.I. 2001/1820, art. 2, **Sch.**; s. 82 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**

F638 83 Registration of listing particulars.

F665 . . . . . .

Textual Amendments

F638 Words in ss. 73A-84 substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), **ss.**16(2)(3)(a), 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F665 S. 83 repealed (1.7.2005) by The Prospectus Regulations 2005 (S.I. 2005/1433), reg. 2(1), **Sch. 1 para. 4**

[F666[F667Contravention of prohibition relating to public offer of securities]

Textual Amendments

F666 Ss. 84-87R and cross-headings substituted for ss. 84-87 (1.7.2005) by The Prospectus Regulations 2005 (S.I. 2005/1433), reg. 2(1), **Sch. 1 para. 5**

F667 S. 84 cross-heading substituted (30.1.2024 for specified purposes, 19.1.2026 in so far as not already in force) by The Public Offers and Admissions to Trading Regulations 2024 (S.I. 2024/105), reg. 2(2)(3), **Sch. 3 para. 4** (with regs. 48-50); S.I. 2025/1078, reg. 5(b) (with reg. 12)

F668 84 Matters which may be dealt with by prospectus rules

. . . . . .

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Textual Amendments

F668 S. 84 omitted (30.1.2024 for specified purposes, 19.1.2026 in so far as not already in force) by virtue of The Public Offers and Admissions to Trading Regulations 2024 (S.I. 2024/105), reg. 2(2)(3), **Sch. 3 para. 5** (with regs. 48-50); S.I. 2025/1078, reg. 5(b) (with reg. 12)

[F669 85 [F670 Contravention of prohibition relating to public offer of securities]

F671 (1) . . . . . .

F671 (2) . . . . . .

(3) A person who contravenes **[**F672 regulation 12 of the Public Offers and Admissions to Trading Regulations 2024 (prohibition of public offers of relevant securities)**]** is guilty of an offence and liable—

(a) on summary conviction, to imprisonment for a term not exceeding 3 months or a fine not exceeding the statutory maximum or both;

(b) on conviction on indictment, to imprisonment for a term not exceeding 2 years or a fine or both.

(4) A contravention of **[**F673 regulation 12 of the Public Offers and Admissions to Trading Regulations 2024**]** is actionable, at the suit of a person who suffers loss as a result of the contravention, subject to the defences and other incidents applying to actions for breach of statutory duty.

F674 (5) . . . . . .

F674 (6) . . . . . .

F674 (6A) . . . . . .

F674 (7) . . . . . .

F675 (8) . . . . . .**]**

Textual Amendments

F669 Ss. 84-87R and cross-headings substituted for ss. 84-87 (1.7.2005) by The Prospectus Regulations 2005 (S.I. 2005/1433), reg. 2(1), **Sch. 1 para. 5**

F670 S. 85 heading heading substituted (30.1.2024 for specified purposes, 19.1.2026 in so far as not already in force) by The Public Offers and Admissions to Trading Regulations 2024 (S.I. 2024/105), reg. 2(2)(3), **Sch. 3 para. 6(2)** (with regs. 48-50); S.I. 2025/1078, reg. 5(b) (with reg. 12)

F671 S. 85(1)(2) omitted (30.1.2024 for specified purposes, 19.1.2026 in so far as not already in force) by virtue of The Public Offers and Admissions to Trading Regulations 2024 (S.I. 2024/105), reg. 2(2)(3), **Sch. 3 para. 6(3)** (with regs. 48-50); S.I. 2025/1078, reg. 5(b) (with reg. 12)

F672 Words in s. 85(3) substituted (30.1.2024 for specified purposes, 19.1.2026 in so far as not already in force) by The Public Offers and Admissions to Trading Regulations 2024 (S.I. 2024/105), reg. 2(2)(3), **Sch. 3 para. 6(4)** (with regs. 48-50); S.I. 2025/1078, reg. 5(b) (with reg. 12)

F673 Words in s. 85(4) substituted (30.1.2024 for specified purposes, 19.1.2026 in so far as not already in force) by The Public Offers and Admissions to Trading Regulations 2024 (S.I. 2024/105), reg. 2(2)(3), **Sch. 3 para. 6(5)** (with regs. 48-50); S.I. 2025/1078, reg. 5(b) (with reg. 12)

F674 S. 85(5)-(7) omitted (30.1.2024 for specified purposes, 19.1.2026 in so far as not already in force) by virtue of The Public Offers and Admissions to Trading Regulations 2024 (S.I. 2024/105), reg. 2(2)(3), **Sch. 3 para. 6(6)** (with regs. 48-50); S.I. 2025/1078, reg. 5(b) (with reg. 12)

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F675 S. 85(8) omitted (31.12.2020) by virtue of The Prospectus (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/1234), regs. 1(4), **4** (with savings in S.I. 2019/680, reg. 11 (as amended by S.I. 2019/1234, reg. 29(2))); 2020 c. 1, Sch. 5 para. 1(1)

Modifications etc. (not altering text)

C307 S. 85(3)(4) applied (25.2.2026 for specified purposes) by The Financial Services and Markets Act 2000 (Cryptoassets) Regulations 2026 (S.I. 2026/102), regs. 1(2)(3), **16** (with regs. 53-56)

F677 86 Exempt offers to the public [F676 and admissions to trading]

. . . . . .

Textual Amendments

F676 Words in s. 86 heading inserted (21.7.2019) by The Financial Services and Markets Act 2000 (Prospectus) Regulations 2019 (S.I. 2019/1043), regs. 1(1), **7(2)** (with reg. 40)

F677 Ss. 86-87O omitted (30.1.2024 for specified purposes, 19.1.2026 in so far as not already in force) by virtue of The Public Offers and Admissions to Trading Regulations 2024 (S.I. 2024/105), reg. 2(2)(3), **Sch. 3 para. 7** (with regs. 48-50); S.I. 2025/1078, reg. 5(b) (with reg. 12)

F677 87 Election to have prospectus

. . . . . .

Textual Amendments

F677 Ss. 86-87O omitted (30.1.2024 for specified purposes, 19.1.2026 in so far as not already in force) by virtue of The Public Offers and Admissions to Trading Regulations 2024 (S.I. 2024/105), reg. 2(2)(3), **Sch. 3 para. 7** (with regs. 48-50); S.I. 2025/1078, reg. 5(b) (with reg. 12)

Approval of prospectus

F677 87A Criteria for approval of prospectus by [F678 FCA]

. . . . . .

Textual Amendments

F677 Ss. 86-87O omitted (30.1.2024 for specified purposes, 19.1.2026 in so far as not already in force) by virtue of The Public Offers and Admissions to Trading Regulations 2024 (S.I. 2024/105), reg. 2(2)(3), **Sch. 3 para. 7** (with regs. 48-50); S.I. 2025/1078, reg. 5(b) (with reg. 12)

F678 Word in s. 87A heading substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), **ss. 16(6)(c)**, 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F677 87B Exemptions from disclosure

. . . . . .

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Textual Amendments

F677 Ss. 86-87O omitted (30.1.2024 for specified purposes, 19.1.2026 in so far as not already in force) by virtue of The Public Offers and Admissions to Trading Regulations 2024 (S.I. 2024/105), reg. 2(2)(3), **Sch. 3 para. 7** (with regs. 48-50); S.I. 2025/1078, reg. 5(b) (with reg. 12)

F677 87C Consideration of application for approval

. . . . . .

Textual Amendments

F677 Ss. 86-87O omitted (30.1.2024 for specified purposes, 19.1.2026 in so far as not already in force) by virtue of The Public Offers and Admissions to Trading Regulations 2024 (S.I. 2024/105), reg. 2(2)(3), **Sch. 3 para. 7** (with regs. 48-50); S.I. 2025/1078, reg. 5(b) (with reg. 12)

F677 87D Procedure for decision [F679 to refuse an] application for approval

. . . . . .

Textual Amendments

F677 Ss. 86-87O omitted (30.1.2024 for specified purposes, 19.1.2026 in so far as not already in force) by virtue of The Public Offers and Admissions to Trading Regulations 2024 (S.I. 2024/105), reg. 2(2)(3), **Sch. 3 para. 7** (with regs. 48-50); S.I. 2025/1078, reg. 5(b) (with reg. 12)

F679 Words in s. 87D heading substituted (21.7.2019) by The Financial Services and Markets Act 2000 (Prospectus) Regulations 2019 (S.I. 2019/1043), regs. 1(1), **12(2)** (with reg. 40)

Transfer of application for approval of a prospectus

F681 87E Transfer by [F680 FCA] of application for approval

. . . . . .

Textual Amendments

F680 Word in s. 87E heading substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), **ss. 16(7)(c)**, 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F681 S. 87E omitted (21.7.2019) by virtue of The Financial Services and Markets Act 2000 (Prospectus) Regulations 2019 (S.I. 2019/1043), regs. 1(1), **13** (with reg. 40)

F683 87F Transfer to [F682 FCA] of application for approval

. . . . . .

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Textual Amendments

F682 Word in s. 87F heading substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), **ss. 16(8)(c)**, 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F683 S. 87F omitted (21.7.2019) by virtue of The Financial Services and Markets Act 2000 (Prospectus) Regulations 2019 (S.I. 2019/1043), regs. 1(1), **13** (with reg. 40)

[F684 Final terms]

Textual Amendments

F684 S. 87FA and cross-heading inserted (17.12.2014) by The Payments to Governments and Miscellaneous Provisions Regulations 2014 (S.I. 2014/3293), regs. 1(2), **3(1)**

F685 87FA. Final terms

. . . . . .

Textual Amendments

F685 S. 87FA omitted (21.7.2019) by virtue of The Financial Services and Markets Act 2000 (Prospectus) Regulations 2019 (S.I. 2019/1043), regs. 1(1), **14** (with reg. 40)

F686 87FB. Communication of final terms by FCA

. . . . . .

Textual Amendments

F686 S. 87FB omitted (21.7.2019) by virtue of The Financial Services and Markets Act 2000 (Prospectus) Regulations 2019 (S.I. 2019/1043), regs. 1(1), **14** (with reg. 40)

Supplementary prospectus

F677 87G Supplementary prospectus

. . . . . .

Textual Amendments

F677 Ss. 86-87O omitted (30.1.2024 for specified purposes, 19.1.2026 in so far as not already in force) by virtue of The Public Offers and Admissions to Trading Regulations 2024 (S.I. 2024/105), reg. 2(2)(3), **Sch. 3 para. 7** (with regs. 48-50); S.I. 2025/1078, reg. 5(b) (with reg. 12)

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Passporting

[F687]87H Prospectus approved in another EEA State

. . . . . .

Textual Amendments

F687 S. 87H omitted (21.7.2019) by virtue of The Financial Services and Markets Act 2000 (Prospectus) Regulations 2019 (S.I. 2019/1043), regs. 1(1), **16** (with reg. 40)

[F688]87I Provision of information to host Member State

. . . . . .

Textual Amendments

F688 S. 87I omitted (21.7.2019) by virtue of The Financial Services and Markets Act 2000 (Prospectus) Regulations 2019 (S.I. 2019/1043), regs. 1(1), **16** (with reg. 40)

Transferable securities: powers of [F689FCA]

Textual Amendments

F689 Words in ss. 87J-87O and cross-heading substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), **ss.**16(2)(3)(e), 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

[F677]87J Requirements imposed as condition of approval

. . . . . .

Textual Amendments

F677 Ss. 86-87O omitted (30.1.2024 for specified purposes, 19.1.2026 in so far as not already in force) by virtue of The Public Offers and Admissions to Trading Regulations 2024 (S.I. 2024/105), reg. 2(2)(3), **Sch. 3 para. 7** (with regs. 48-50); S.I. 2025/1078, reg. 5(b) (with reg. 12)

[F677]87JA. Power to suspend scrutiny of prospectus

. . . . . .

Textual Amendments

F677 Ss. 86-87O omitted (30.1.2024 for specified purposes, 19.1.2026 in so far as not already in force) by virtue of The Public Offers and Admissions to Trading Regulations 2024 (S.I. 2024/105), reg. 2(2)(3), **Sch. 3 para. 7** (with regs. 48-50); S.I. 2025/1078, reg. 5(b) (with reg. 12)

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F677 87JB. Power to refuse approval of a prospectus

. . . . . .

Textual Amendments

F677 Ss. 86-87O omitted (30.1.2024 for specified purposes, 19.1.2026 in so far as not already in force) by virtue of The Public Offers and Admissions to Trading Regulations 2024 (S.I. 2024/105), reg. 2(2)(3), **Sch. 3 para. 7** (with regs. 48-50); S.I. 2025/1078, reg. 5(b) (with reg. 12)

F677 87K Power to suspend [F690, restrict] or prohibit offer to the public

. . . . . .

Textual Amendments

F677 Ss. 86-87O omitted (30.1.2024 for specified purposes, 19.1.2026 in so far as not already in force) by virtue of The Public Offers and Admissions to Trading Regulations 2024 (S.I. 2024/105), reg. 2(2)(3), **Sch. 3 para. 7** (with regs. 48-50); S.I. 2025/1078, reg. 5(b) (with reg. 12)

F690 Word in s. 87K heading inserted (21.7.2019) by The Financial Services and Markets Act 2000 (Prospectus) Regulations 2019 (S.I. 2019/1043), regs. 1(1), **18(2)** (with reg. 40)

F677 87L Power to suspend [F691, restrict] or prohibit admission to trading on a regulated market

. . . . . .

Textual Amendments

F677 Ss. 86-87O omitted (30.1.2024 for specified purposes, 19.1.2026 in so far as not already in force) by virtue of The Public Offers and Admissions to Trading Regulations 2024 (S.I. 2024/105), reg. 2(2)(3), **Sch. 3 para. 7** (with regs. 48-50); S.I. 2025/1078, reg. 5(b) (with reg. 12)

F691 Word in s. 87L heading inserted (21.7.2019) by The Financial Services and Markets Act 2000 (Prospectus) Regulations 2019 (S.I. 2019/1043), regs. 1(1), **19(2)** (with reg. 40)

F677 87LA. Power of FCA to suspend or prohibit trading on a trading facility

. . . . . .

Textual Amendments

F677 Ss. 86-87O omitted (30.1.2024 for specified purposes, 19.1.2026 in so far as not already in force) by virtue of The Public Offers and Admissions to Trading Regulations 2024 (S.I. 2024/105), reg. 2(2)(3), **Sch. 3 para. 7** (with regs. 48-50); S.I. 2025/1078, reg. 5(b) (with reg. 12)

F677 87M Public censure of issuer

. . . . . .

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Textual Amendments

F677 Ss. 86-87O omitted (30.1.2024 for specified purposes, 19.1.2026 in so far as not already in force) by virtue of The Public Offers and Admissions to Trading Regulations 2024 (S.I. 2024/105), reg. 2(2)(3), **Sch. 3 para. 7** (with regs. 48-50); S.I. 2025/1078, reg. 5(b) (with reg. 12)

F677 87N Right to refer matters to the Tribunal

. . . . . .

Textual Amendments

F677 Ss. 86-87O omitted (30.1.2024 for specified purposes, 19.1.2026 in so far as not already in force) by virtue of The Public Offers and Admissions to Trading Regulations 2024 (S.I. 2024/105), reg. 2(2)(3), **Sch. 3 para. 7** (with regs. 48-50); S.I. 2025/1078, reg. 5(b) (with reg. 12)

F677 87O [F692 Procedure under sections 87JA, 87K, 87L and 87LA]

. . . . . .

Textual Amendments

F677 Ss. 86-87O omitted (30.1.2024 for specified purposes, 19.1.2026 in so far as not already in force) by virtue of The Public Offers and Admissions to Trading Regulations 2024 (S.I. 2024/105), reg. 2(2)(3), **Sch. 3 para. 7** (with regs. 48-50); S.I. 2025/1078, reg. 5(b) (with reg. 12)

F692 S. 87O heading substituted (21.7.2019) by The Financial Services and Markets Act 2000 (Prospectus) Regulations 2019 (S.I. 2019/1043), regs. 1(1), **22(2)** (with reg. 40)

F693 87P Exercise of powers at request of competent authority of another EEA State

. . . . . .

Textual Amendments

F693 S. 87P omitted (31.12.2020) by virtue of The Official Listing of Securities, Prospectus and Transparency (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/707), regs. 1(2), **18** (with savings in S.I. 2019/680, reg. 11 (as amended by S.I. 2019/1234, regs. 1(3), 29(2))); 2020 c. 1, Sch. 5 para. 1(1)

Rights of investors

F694 87Q Right of investor to withdraw

. . . . . .

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Textual Amendments

F694 S. 87Q omitted (21.7.2019) by virtue of The Financial Services and Markets Act 2000 (Prospectus) Regulations 2019 (S.I. 2019/1043), regs. 1(1), **24** (with reg. 40)

Registered investors

[F695]87R Register of investors

. . . . . .]

Textual Amendments

F695 S. 87R omitted (1.7.2012) by virtue of The Prospectus Regulations 2012 (S.I. 2012/1538), regs. 1(1), **3(3)**

Sponsors

88 Sponsors.

(1) Listing rules may require a person to make arrangements with a sponsor for the performance by the sponsor of such services in relation to him as may be specified in the rules.

(2) "Sponsor" means a person approved by the **[**[F696]FCA**]** for the purposes of the rules.

(3) Listing rules made by virtue of subsection (1) may—

(a) provide for the **[**[F696]FCA**]** to maintain a list of sponsors;

(b) specify services which must be performed by a sponsor;

(c) impose requirements on a sponsor in relation to the provision of services or specified services;

(d) specify the circumstances in which a person is qualified for being approved as a sponsor.

[[F697](e) provide for limitations or other restrictions to be imposed on the services to which an approval relates (whether or not the approval has already been granted);

(f) provide for the approval of a sponsor to be suspended on the application of the sponsor.**]**

(4) If the **[**[F696]FCA**]** proposes—

(a) to refuse a person's application **[**[F698]under sponsor rules**]**,

[[F699](aa) to impose limitations or other restrictions on the services to which a person's approval relates,**]** or

(b) to cancel a person's approval as a sponsor **[**[F700]otherwise than at his request**]**,

it must give him a warning notice.

(5) If, after considering any representations made in response to the warning notice, the **[**[F696]FCA**]** decides—

(a) to grant the application **[**[F701]under sponsor rules**]**,

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

[F702(aa) not to impose limitations or other restrictions on the services to which a person's approval relates,**]** or

(b) not to cancel the approval,

it must give the person concerned, and any person to whom a copy of the warning notice was given, written notice of its decision.

(6) If, after considering any representations made in response to the warning notice, the **[**F696FCA**]** decides—

(a) to refuse to grant the application **[**F703under sponsor rules**]**,

[F704(aa) to impose limitations or other restrictions on the services to which a person's approval relates,**]** or

(b) to cancel the approval,

it must give the person concerned a decision notice.

(7) A person to whom a decision notice is given under this section may refer the matter to the Tribunal.

[F705(8) In this section any reference to an application under sponsor rules means—

(a) an application for approval as a sponsor,

(b) an application for the suspension of an approval as a sponsor,

(c) an application for the withdrawal of the suspension of an approval as a sponsor, or

(d) an application for the withdrawal or variation of a limitation or other restriction on the services to which a sponsor's approval relates.**]**

Textual Amendments

F696 Words in ss. 87Q-88 substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), **ss.**16(2)(3)(f), 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F697 S. 88(3)(e)(f) inserted (19.3.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), **s. 18(2)(a)**(3), 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.; S.I. 2013/651, art. 2(a)

F698 Words in s. 88(4)(a) substituted (19.3.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), **ss. 18(2)(b)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.; S.I. 2013/651, art. 2(a)

F699 S. 88(4)(aa) inserted (19.3.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), **ss. 18(2)(c)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.; S.I. 2013/651, art. 2(a)

F700 Words in s. 88(4)(b) inserted (12.7.2007) by The Regulatory Reform (Financial Services and Markets Act 2000) Order 2007 (S.I. 2007/1973), **art. 9**

F701 Words in s. 88(5)(a) substituted (19.3.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), **ss. 18(2)(d)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.; S.I. 2013/651, art. 2(a)

F702 S. 88(5)(aa) inserted (19.3.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), **ss. 18(2)(e)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.; S.I. 2013/651, art. 2(a)

F703 Words in s. 88(6)(a) substituted (19.3.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), **ss. 18(2)(f)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.; S.I. 2013/651, art. 2(a)

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F704 S. 88(6)(aa) inserted (19.3.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), **ss. 18(2)(g)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.; S.I. 2013/651, art. 2(a)

F705 S. 88(8) inserted (19.3.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), **ss. 18(2)(h)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.; S.I. 2013/651, art. 2(a)

Commencement Information

I20 S. 88 wholly in force at 1.12.2001; s. 88 not in force at Royal Assent see s. 431(2); s. 88(1)-(3) in force at 18.6.2001 by S.I. 2001/1820, art. 2, **Sch.**; s. 88 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**

F706 89 Public censure of sponsor.

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Textual Amendments

F706 Ss. 88A-88F substituted for s. 89 (24.1.2013 for specified purposes, 19.3.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), **ss. 18(4)**, 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.; S.I. 2013/651, art. 2(a)

[F706 88A Disciplinary powers: contravention of s.88(3)(c) or (e)

(1) The FCA may take action against a sponsor under this section if it considers that the sponsor has contravened a requirement or restriction imposed on the sponsor by rules made as a result of section 88(3)(c) or (e).

(2) If the FCA is entitled to take action under this section against a sponsor, it may do one or more of the following—

(a) impose a penalty on the sponsor of such amount as it considers appropriate;

(b) suspend, for such period as it considers appropriate, the sponsor's approval;

(c) impose, for such period as it considers appropriate, such limitations or other restrictions in relation to the performance of services to which the sponsor's approval relates as it considers appropriate;

(d) publish a statement to the effect that the sponsor has contravened a requirement or restriction imposed on the sponsor by rules made as a result of section 88(3)(c) or (e).

(3) The period for which a suspension or restriction is to have effect may not exceed 12 months.

(4) A suspension may relate only to the performance in specified circumstances of a service to which the approval relates.

(5) A restriction may, in particular, be imposed so as to require the sponsor to take, or refrain from taking, specified action.

(6) The FCA may—

(a) withdraw a suspension or restriction; or

(b) vary a suspension or restriction so as to reduce the period for which it has effect or otherwise to limit its effect.

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Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

(7) The FCA may not take action against a sponsor under this section after the end of the limitation period unless, before the end of that period, it has given a warning notice to the sponsor under section 88B(1).

(8) "The limitation period" means the period of 3 years beginning with the first day on which the FCA knew that the sponsor had contravened the requirement or restriction.

(9) For this purpose the FCA is to be treated as knowing that a sponsor has contravened a requirement or restriction if it has information from which that can reasonably be inferred.

Textual Amendments

F706 Ss. 88A-88F substituted for s. 89 (24.1.2013 for specified purposes, 19.3.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), **ss. 18(4)**, 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.; S.I. 2013/651, art. 2(a)

Modifications etc. (not altering text)

C308 Ss. 88A(2)(a)-(c) restricted (1.4.2013) by The Financial Services Act 2012 (Transitional Provisions) (Enforcement) Order 2013 (S.I. 2013/441), arts. 1(1), **4**

C309 S. 88A(7) restricted (1.4.2013) by The Financial Services Act 2012 (Transitional Provisions) (Enforcement) Order 2013 (S.I. 2013/441), arts. 1(1), **4**

88B Action under s.88A: procedure and right to refer to Tribunal

(1) If the FCA proposes to take action against a sponsor under section 88A, it must give the sponsor a warning notice.

(2) A warning notice about a proposal to impose a penalty must state the amount of the penalty.

(3) A warning notice about a proposal—

(a) to suspend an approval, or

(b) to impose a restriction in relation to the performance of a service,

must state the period for which the suspension or restriction is to have effect.

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

(5) If the FCA decides to take action against a sponsor under section 88A, it must give the sponsor a decision notice.

(6) A decision notice about the imposition of a penalty must state the amount of the penalty.

(7) A decision notice about—

(a) the suspension of an approval, or

(b) the imposition of a restriction in relation to the performance of a service,

must state the period for which the suspension or restriction is to have effect.

(8) A decision notice about the publication of a statement must set out the terms of the statement.

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(9) If the FCA decides to take action against a sponsor under section 88A, the sponsor may refer the matter to the Tribunal.

Textual Amendments

F706 Ss. 88A-88F substituted for s. 89 (24.1.2013 for specified purposes, 19.3.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), **ss. 18(4)**, 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.; S.I. 2013/651, art. 2(a)

88C Action under s.88A: statement of policy

(1) The FCA must prepare and issue a statement of its policy with respect to—

(a) the imposition of penalties, suspensions or restrictions under section 88A,

(b) the amount of penalties under that section, and

(c) the period for which suspensions or restrictions under that section are to have effect.

(2) The FCA's policy in determining what the amount of a penalty should be, or what the period for which a suspension or restriction is to have effect should be, must include having regard to—

(a) the seriousness of the contravention in question in relation to the nature of the requirement concerned,

(b) the extent to which that contravention was deliberate or reckless, and

(c) whether the sponsor concerned is an individual.

(3) The FCA may at any time alter or replace a statement issued under this section.

(4) If a statement issued under this section is altered or replaced, the FCA must issue the altered or replacement statement.

(5) In exercising, or deciding whether to exercise, its power under section 88A in the case of any particular contravention, the FCA must have regard to any statement of policy published under this section and in force at a time when the contravention in question occurred.

(6) A statement issued under this section must be published by the FCA in the way appearing to the FCA to be best calculated to bring it to the attention of the public.

(7) The FCA may charge a reasonable fee for providing a person with a copy of the statement.

(8) The FCA must, without delay, give the Treasury a copy of any statement which it publishes under this section.

Textual Amendments

F706 Ss. 88A-88F substituted for s. 89 (24.1.2013 for specified purposes, 19.3.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), **ss. 18(4)**, 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.; S.I. 2013/651, art. 2(a)

Status: *This version of this Act contains provisions that are prospective.*
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88D Statement of policy under s.88C: procedure

(1) Before issuing a statement under section 88C, the FCA must publish a draft of the proposed statement in the way appearing to the FCA to be best calculated to bring it to the attention of the public.

(2) The draft must be accompanied by notice that representations about the proposal may be made to the FCA within a specified time.

(3) Before issuing the proposed statement, the FCA must have regard to any representations made to it in accordance with subsection (2).

(4) If the FCA issues the proposed statement it must publish an account, in general terms, of—

(a) the representations made to it in accordance with subsection (2), and

(b) its response to them.

(5) If the statement differs from the draft published under subsection (1) in a way which is, in the opinion of the FCA, significant, the FCA must (in addition to complying with subsection (4)) publish details of the difference.

(6) The FCA may charge a reasonable fee for providing a person with a copy of a draft published under subsection (1).

(7) This section also applies to a proposal to alter or replace a statement.

Textual Amendments

F706 Ss. 88A-88F substituted for s. 89 (24.1.2013 for specified purposes, 19.3.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), **ss. 18(4)**, 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.; S.I. 2013/651, art. 2(a)

88E Powers exercisable to advance operational objectives

(1) The FCA may take action against a sponsor under this section if it considers that it is desirable to do so in order to advance one or more of its operational objectives.

(2) If the FCA is entitled to take action under this section against a sponsor, it may—

(a) suspend, for such period as it considers appropriate, the sponsor's approval, or

(b) impose, for such period as it considers appropriate, such limitations or other restrictions in relation to the performance of services to which the sponsor's approval relates as it considers appropriate.

(3) A suspension may relate only to the performance in specified circumstances of a service to which the approval relates.

(4) A restriction may, in particular, be imposed so as to require the sponsor to take, or refrain from taking, specified action.

(5) The FCA may—

(a) withdraw a suspension or restriction, or

(b) vary a suspension or restriction so as to reduce the period for which it has effect or otherwise to limit its effect.

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(6) A person against whom the FCA takes action under this section may refer the matter to the Tribunal.

Textual Amendments

F706 Ss. 88A-88F substituted for s. 89 (24.1.2013 for specified purposes, 19.3.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), **ss. 18(4)**, 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.; S.I. 2013/651, art. 2(a)

88F Action under s.88E: procedure

(1) Action against a sponsor under section 88E takes effect—

(a) immediately, if the notice given under subsection (3) so provides, or

(b) on such later date as may be specified in the notice.

(2) If the FCA—

(a) proposes to take action against a sponsor under that section, or

(b) takes action against a sponsor under that section with immediate effect,

it must give the sponsor written notice.

(3) The notice must—

(a) give details of the action,

(b) state the FCA's reasons for taking the action and for its determination as to when the action takes effect,

(c) inform the sponsor that the sponsor may make representations to the FCA within such period as may be specified in the notice (whether or not the matter has been referred to the Tribunal),

(d) inform the sponsor of when the action takes effect,

(e) inform the sponsor of the right to refer the matter to the Tribunal, and

(f) give an indication of the procedure on such a reference.

(4) The FCA may extend the period allowed under the notice for making representations.

(5) If the FCA decides—

(a) to take the action in the way proposed, or

(b) if the action has taken effect, not to rescind it,

the FCA must give the sponsor written notice.

(6) If the FCA decides—

(a) not to take the action in the way proposed,

(b) to take action under section 88E that differs from the action originally proposed, or

(c) to rescind action which has taken effect,

the FCA must give the sponsor written notice.

(7) A notice under subsection (5) must—

(a) inform the sponsor of the right to refer the matter to the Tribunal, and

(b) give an indication of the procedure on such a reference.

(8) A notice under subsection (6)(b) must comply with subsection (3).**]**

Status: *This version of this Act contains provisions that are prospective.*
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Textual Amendments

F706 Ss. 88A-88F substituted for s. 89 (24.1.2013 for specified purposes, 19.3.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), **ss. 18(4)**, 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.; S.I. 2013/651, art. 2(a)

[F707Transparency obligations

Textual Amendments

F707 Ss. 89A-89G and cross-heading inserted (8.11.2006) by Companies Act 2006 (c. 46), **ss. 1266(1)**, 1300(1)(a) (with s. 1266(2))

89A Transparency rules

[F708(1) The FCA may make rules—

(a) imposing requirements in relation to the disclosure of periodic or ongoing information about issuers whose securities are admitted to trading on a regulated market, and

(b) dealing with matters arising out of or relating to such requirements.**]**

(2) The rules may include provision for dealing with any matters **[**F709dealt with in the transparency obligations directive or with any matters that, when the United Kingdom was a member State, would have been matters**]** arising out of or related to any provision of the transparency obligations directive.

(3) The **[**F710FCA**]** may also make rules—

(a) for the purpose of ensuring that voteholder information in respect of voting shares traded on a UK market other than a regulated market is made public or notified to the **[**F710FCA**]**;

F711(b) . . . . . .

(4) Rules under this section may, in particular, make provision—

(a) specifying how the proportion of—

(i) the total voting rights in respect of shares in an issuer, or

(ii) the total voting rights in respect of a particular class of shares in an issuer,

held by a person is to be determined;

(b) specifying the circumstances in which, for the purposes of any determination of the voting rights held by a person ("P") in respect of voting shares in an issuer, any voting rights held F712... by another person in respect of voting shares in the issuer are to be regarded as held by P;

(c) specifying the nature of the information which must be included in any notification;

(d) about the form of any notification;

(e) requiring any notification to be given within a specified period;

(f) specifying the manner in which any information is to be made public and the period within which it must be made public;

Status: *This version of this Act contains provisions that are prospective.*
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(g) specifying circumstances in which any of the requirements imposed by rules under this section does not apply.

[F713(4A) The provision that may be made by virtue of subsection (4)(g) includes (but is not limited to) provision, in the case of an issuer whose registered office is situated in a country or territory outside the United Kingdom, allowing exemption from specified provisions of rules under this section if—

(a) the law of that country or territory is considered by the FCA to lay down equivalent requirements, or

(b) the issuer complies with the requirements of the law of a country or territory that the FCA considers as equivalent.**]**

(5) Rules under this section are referred to in this Part as "transparency rules".

(6) Nothing in sections 89B to 89G affects the generality of the power to make rules under this section.

Textual Amendments

F708 S. 89A(1) substituted (31.12.2020) by The Official Listing of Securities, Prospectus and Transparency (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/707), regs. 1(2), **19(2)** (with savings in S.I. 2019/680, reg. 11 (as amended by S.I. 2019/1234, regs. 1(3), 29(2))); 2020 c. 1, Sch. 5 para. 1(1)

F709 Words in s. 89A(2) inserted (31.12.2020) by The Official Listing of Securities, Prospectus and Transparency (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/707), regs. 1(2), **19(3)** (with savings in S.I. 2019/680, reg. 11 (as amended by S.I. 2019/1234, regs. 1(3), 29(2))); 2020 c. 1, Sch. 5 para. 1(1)

F710 Words in ss. 89A-97 substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), **ss.**16(2)(3)(g), 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F711 S. 89A(3)(b) omitted (1.11.2015 for specified purposes, 26.11.2015 in so far as not already in force) by virtue of The Transparency Regulations 2015 (S.I. 2015/1755), regs. 1(2)(3), **2(1)(a)**

F712 Words in s. 89A(4)(b) omitted (1.11.2015 for specified purposes, 26.11.2015 in so far as not already in force) by virtue of The Transparency Regulations 2015 (S.I. 2015/1755), regs. 1(2)(3), **2(1)(b)**

F713 S. 89A(4A) inserted (31.12.2020) by The Official Listing of Securities, Prospectus and Transparency (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/707), regs. 1(2), **19(4)** (with savings in S.I. 2019/680, reg. 11 (as amended by S.I. 2019/1234, regs. 1(3), 29(2))); 2020 c. 1, Sch. 5 para. 1(1)

89B Provision of voteholder information

(1) Transparency rules may make provision for voteholder information in respect of voting shares to be notified, in circumstances specified in the rules—

(a) to the issuer, or

(b) to the public,

or to both.

(2) Transparency rules may make provision for voteholder information notified to the issuer to be notified at the same time to the **[**F710FCA**]**.

(3) In this Part "voteholder information" in respect of voting shares means information relating to the proportion of voting rights held by a person in respect of the shares.

(4) Transparency rules may require notification of voteholder information relating to a **[**F714person in accordance with the following provisions**]**.

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(5) Transparency rules [F715]... may require notification of voteholder information relating to a person only where there is a notifiable change in the proportion of—

(a) the total voting rights in respect of shares in the issuer, or

(b) the total voting rights in respect of a particular class of share in the issuer,

held by the person.

(6) For this purpose there is a "notifiable change" in the proportion of voting rights held by a person when the proportion changes—

(a) from being a proportion less than a designated proportion to a proportion equal to or greater than that designated proportion,

(b) from being a proportion equal to a designated proportion to a proportion greater or less than that designated proportion, or

(c) from being a proportion greater than a designated proportion to a proportion equal to or less than that designated proportion.

(7) In subsection (6) "designated" means designated by the rules.

Textual Amendments

F710 Words in ss. 89A-97 substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), **ss.**16(2)(3)(g), 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F714 Words in s. 89B(4) substituted (31.12.2020) by The Official Listing of Securities, Prospectus and Transparency (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/707), regs. 1(2), **20(2)** (with savings in S.I. 2019/680, reg. 11 (as amended by S.I. 2019/1234, regs. 1(3), 29(2))); 2020 c. 1, Sch. 5 para. 1(1)

F715 Words in s. 89B(5) omitted (31.12.2020) by virtue of The Official Listing of Securities, Prospectus and Transparency (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/707), regs. 1(2), **20(3)** (with savings in S.I. 2019/680, reg. 11 (as amended by S.I. 2019/1234, regs. 1(3), 29(2))); 2020 c. 1, Sch. 5 para. 1(1)

89C Provision of information by issuers of transferable securities

(1) Transparency rules may make provision requiring the issuer of transferable securities, in circumstances specified in the rules—

(a) to make public information to which this section applies, or

(b) to notify to the **[**[F710]FCA**]** information to which this section applies,

or to do both.

(2) In the case of every issuer, this section applies to—

[[F716](a) an annual financial report which complies with subsection (5) and with such other requirements as may be specified;

(aa) in the case of an issuer which is—

(i) a mining or quarrying undertaking, or

(ii) a logging undertaking,

reports complying with specified requirements on payments to governments;**][**[F717]and**]**

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

(b) information relating to the rights attached to the transferable securities, including information about the terms and conditions of those securities which could indirectly affect those rights; [F718]...

[F719](c) . . . . . .

(3) In the case of an issuer of debt securities, this section also applies to **[**[F720]a half-yearly financial report which covers the first 6 months of the financial year and complies with subsection (6) and with such other requirements as may be specified**]**.

(4) In the case of an issuer of shares, this section also applies to—

(a) **[**[F721]a half-yearly financial report which covers the first 6 months of the financial year and complies with subsection (6) and with such other requirements as may be specified**]**;

[F722](b) . . . . . .

(c) voteholder information—

(i) notified to the issuer, or

(ii) relating to the proportion of voting rights held by the issuer in respect of shares in the issuer;

(d) information relating to the issuer's capital; and

(e) information relating to the total number of voting rights in respect of shares or shares of a particular class.

[An issuer's annual financial report must include—

[F723](5) (a) audited financial statements complying with specified requirements,

(b) a management report complying with specified requirements, and

(c) statements which—

(i) relate to the financial statements and the management report,

(ii) are made by the persons responsible within the issuer, and

(iii) comply with specified requirements.

(6) An issuer's half-yearly financial report must include—

(a) a condensed set of financial statements complying with specified requirements,

(b) an interim management report complying with specified requirements, and

(c) statements which—

(i) relate to the condensed set of financial statements and the interim management report,

(ii) are made by the persons responsible within the issuer, and

(iii) comply with specified requirements.

(7) In subsection (2)(aa), "mining or quarrying undertaking", "logging undertaking", "payment" and "government" have the same meanings as in the Reports on Payments to Governments Regulations 2014 .

(8) In this section "specified" means specified in, or referred to in, transparency rules.**]**

Textual Amendments

F710 Words in ss. 89A-97 substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), **ss.**16(2)(3)(g), 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

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F716 S. 89C(2)(a)(aa) substituted (31.12.2020) by The Official Listing of Securities, Prospectus and Transparency (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/707), regs. 1(2), **21(2)** (with savings in S.I. 2019/680, reg. 11 (as amended by S.I. 2019/1234, regs. 1(3), 29(2))); 2020 c. 1, Sch. 5 para. 1(1)

F717 Word in s. 89C(2)(aa) inserted (1.11.2015 for specified purposes, 26.11.2015 in so far as not already in force) by The Transparency Regulations 2015 (S.I. 2015/1755), regs. 1(2)(3), **2(2)(a)**

F718 Word in s. 89C(2)(b) omitted (1.11.2015 for specified purposes, 26.11.2015 in so far as not already in force) by virtue of The Transparency Regulations 2015 (S.I. 2015/1755), regs. 1(2)(3), **2(2)(b)**

F719 S. 89C(2)(c) omitted (1.11.2015 for specified purposes, 26.11.2015 in so far as not already in force) by virtue of The Transparency Regulations 2015 (S.I. 2015/1755), regs. 1(2)(3), **2(2)(c)**

F720 Words in s. 89C(3) substituted (31.12.2020) by The Official Listing of Securities, Prospectus and Transparency (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/707), regs. 1(2), **21(3)** (with savings in S.I. 2019/680, reg. 11 (as amended by S.I. 2019/1234, regs. 1(3), 29(2))); 2020 c. 1, Sch. 5 para. 1(1)

F721 Words in s. 89C(4)(a) substituted (31.12.2020) by The Official Listing of Securities, Prospectus and Transparency (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/707), regs. 1(2), **21(3)** (with savings in S.I. 2019/680, reg. 11 (as amended by S.I. 2019/1234, regs. 1(3), 29(2))); 2020 c. 1, Sch. 5 para. 1(1)

F722 S. 89C(4)(b) omitted (17.12.2014) by virtue of The Payments to Governments and Miscellaneous Provisions Regulations 2014 (S.I. 2014/3293), regs. 1(2), **4(b)**

F723 S. 89C(5)-(8) inserted (31.12.2020) by The Official Listing of Securities, Prospectus and Transparency (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/707), regs. 1(2), **21(4)** (with savings in S.I. 2019/680, reg. 11 (as amended by S.I. 2019/1234, regs. 1(3), 29(2))); 2020 c. 1, Sch. 5 para. 1(1)

89D Notification of voting rights held by issuer

(1) Transparency rules may require notification of voteholder information relating to the proportion of voting rights held by an issuer in respect of voting shares in **[**[F724]the issuer in accordance with the following provisions**]**.

(2) Transparency rules [F725]... may require notification of voteholder information relating to the proportion of voting rights held by an issuer in respect of voting shares in the issuer only where there is a notifiable change in the proportion of—

(a) the total voting rights in respect of shares in the issuer, or

(b) the total voting rights in respect of a particular class of share in the issuer,

held by the issuer.

(3) For this purpose there is a "notifiable change" in the proportion of voting rights held by a person when the proportion changes—

(a) from being a proportion less than a designated proportion to a proportion equal to or greater than that designated proportion,

(b) from being a proportion equal to a designated proportion to a proportion greater or less than that designated proportion, or

(c) from being a proportion greater than a designated proportion to a proportion equal to or less than that designated proportion.

(4) In subsection (3) "designated" means designated by the rules.

Textual Amendments

F724 Words in s. 89D(1) substituted (31.12.2020) by The Official Listing of Securities, Prospectus and Transparency (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/707), regs. 1(2), **22(2)** (with

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savings in S.I. 2019/680, reg. 11 (as amended by S.I. 2019/1234, regs. 1(3), 29(2))); 2020 c. 1, Sch. 5 para. 1(1)

F725 Words in s. 89D(2) omitted (31.12.2020) by virtue of The Official Listing of Securities, Prospectus and Transparency (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/707), regs. 1(2), **22(3)** (with savings in S.I. 2019/680, reg. 11 (as amended by S.I. 2019/1234, regs. 1(3), 29(2))); 2020 c. 1, Sch. 5 para. 1(1)

F726 89E Notification of proposed amendment of issuer's constitution

. . . . . .

Textual Amendments

F726 S. 89E omitted (1.11.2015 for specified purposes, 26.11.2015 in so far as not already in force) by virtue of The Transparency Regulations 2015 (S.I. 2015/1755), regs. 1(2)(3), **2(3)**

89F Transparency rules: interpretation etc

(1) For the purposes of sections 89A to 89G—

(a) the voting rights in respect of any voting shares are the voting rights attached to those shares, **[**F727and**]**

(b) a person is to be regarded as holding the voting rights in respect of the shares—

(i) if, by virtue of those shares, he is a shareholder within the meaning of Article 2.1(e) of the transparency obligations directive;

(ii) if, and to the extent that, he is entitled to acquire, dispose of or exercise those voting rights in one or more of the cases mentioned in Article 10(a) to (h) of the transparency obligations directive;

[F728(iii) if he holds, directly or indirectly, a financial instrument which satisfies the conditions set out in Article 13(1)(a) or (b) of the transparency obligations directive**]**F729...

F730(c) . . . . . .

[F731(1A) The FCA must establish, publish and periodically update an indicative list of financial instruments that are subject to notification requirements by virtue of subsection (1)(b)(iii), taking into account developments on financial markets.

(1B) Publication of the indicative list is to be in such manner as the FCA considers appropriate.**]**

F732(2) . . . . . .

(3) For the purposes of sections 89A to 89G two or more persons may, at the same time, each be regarded as holding the same voting rights.

(4) In those sections—

F733...

F733...

"UK market" means a market that is situated or operating in the United Kingdom;

"voting shares" means shares of an issuer to which voting rights are attached.

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Textual Amendments

F727 Word in s. 89F(1)(a) inserted (1.11.2015 for specified purposes, 26.11.2015 in so far as not already in force) by The Transparency Regulations 2015 (S.I. 2015/1755), regs. 1(2)(3), **2(4)(a)(i)**

F728 S. 89F(1)(b)(iii) substituted (1.11.2015 for specified purposes, 26.11.2015 in so far as not already in force) by The Transparency Regulations 2015 (S.I. 2015/1755), regs. 1(2)(3), **2(4)(a)(ii)**

F729 Word in s. 89F(1)(b) omitted (1.11.2015 for specified purposes, 26.11.2015 in so far as not already in force) by virtue of The Transparency Regulations 2015 (S.I. 2015/1755), regs. 1(2)(3), **2(4)(a)(iii)**

F730 S. 89F(1)(c) omitted (1.11.2015 for specified purposes, 26.11.2015 in so far as not already in force) by virtue of The Transparency Regulations 2015 (S.I. 2015/1755), regs. 1(2)(3), **2(4)(a)(iv)**

F731 S. 89F(1A)(1B) inserted (31.12.2020) by The Official Listing of Securities, Prospectus and Transparency (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/707), regs. 1(2), **23** (with savings in S.I. 2019/680, reg. 11 (as amended by S.I. 2019/1234, regs. 1(3), 29(2))); 2020 c. 1, Sch. 5 para. 1(1)

F732 S. 89F(2) omitted (1.11.2015 for specified purposes, 26.11.2015 in so far as not already in force) by virtue of The Transparency Regulations 2015 (S.I. 2015/1755), regs. 1(2)(3), **2(4)(b)**

F733 Words in s. 89F(4) omitted (1.11.2015 for specified purposes, 26.11.2015 in so far as not already in force) by virtue of The Transparency Regulations 2015 (S.I. 2015/1755), regs. 1(2)(3), **2(4)(c)**

89G Transparency rules: other supplementary provisions

(1) Transparency rules may impose the same obligations on a person who has applied for the admission of transferable securities to trading on a regulated market without the issuer's consent as they impose on an issuer of transferable securities.

(2) Transparency rules that require a person to make information public may include provision authorising the **[**[F710]FCA**]** to make the information public in the event that the person fails to do so.

(3) The **[**[F710]FCA**]** may make public any information notified to **[**[F710]the FCA**]** in accordance with transparency rules.

(4) Transparency rules may make provision by reference to any provision of any rules made by the Panel on Takeovers and Mergers under Part 28 of the Companies Act 2006.

(5) Sections 89A to 89F and this section are without prejudice to any other power conferred by this Part to make Part 6 rules.**]**

Textual Amendments

F710 Words in ss. 89A-97 substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), **ss.**16(2)(3)(g), 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

[F734 Power of [F710 FCA] to call for information

Textual Amendments

F734 Ss. 89H-89J and cross-heading inserted (8.11.2006) by Companies Act 2006 (c. 46), **ss. 1267**, 1300(1)(a)

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89H [F710FCA's] power to call for information

(1) The [F710FCA] may by notice in writing given to a person to whom this section applies require him—

(a) to provide specified information or information of a specified description, or

(b) to produce specified documents or documents of a specified description.

(2) This section applies to—

(a) an issuer in respect of whom transparency rules have effect;

(b) a voteholder;

(c) an auditor of—

(i) an issuer to whom this section applies, or

(ii) a voteholder;

(d) a person who controls a voteholder;

(e) a person controlled by a voteholder;

(f) a director or other similar officer of an issuer to whom this section applies;

(g) a director or other similar officer of a voteholder or, where the affairs of a voteholder are managed by its members, a member of the voteholder.

(3) This section applies only to information and documents reasonably required in connection with the exercise by the [F710FCA] of functions conferred on it by or under sections 89A to 89G (transparency rules).

(4) Information or documents required under this section must be provided or produced—

(a) before the end of such reasonable period as may be specified, and

(b) at such place as may be specified.

(5) If a person claims a lien on a document, its production under this section does not affect the lien.

89I Requirements in connection with call for information

(1) The [F710FCA] may require any information provided under section 89H to be provided in such form as it may reasonably require.

(2) The [F710FCA] may require—

(a) any information provided, whether in a document or otherwise, to be verified in such manner as it may reasonably require;

(b) any document produced to be authenticated in such manner as it may reasonably require.

(3) If a document is produced in response to a requirement imposed under section 89H, the [F710FCA] may—

(a) take copies of or extracts from the document; or

(b) require the person producing the document, or any relevant person, to provide an explanation of the document.

(4) In subsection (3)(b) "relevant person", in relation to a person who is required to produce a document, means a person who—

(a) has been or is a director or controller of that person;

(b) has been or is an auditor of that person;

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(c) has been or is an actuary, accountant or lawyer appointed or instructed by that person; or

(d) has been or is an employee of that person.

(5) If a person who is required under section 89H to produce a document fails to do so, the **[**F710FCA**]** may require him to state, to the best of his knowledge and belief, where the document is.

89J Power to call for information: supplementary provisions

(1) The **[**F710FCA**]** may require an issuer to make public any information provided to **[**F710the FCA**]** under section 89H.

(2) If the issuer fails to comply with a requirement under subsection (1), the **[**F710FCA**]** may, after seeking representations from the issuer, make the information public.

(3) In sections 89H and 89I (power of **[**F710FCA**]** to call for information)—

"control" and "controlled" have the meaning given by subsection (4) below;

"specified" means specified in the notice;

"voteholder" means a person who—

(a) holds voting rights in respect of any voting shares for the purposes of sections 89A to 89G (transparency rules), F735...

(b) F735...

(4) For the purposes of those sections a person ("A") controls another person ("B") if—

(a) A holds a majority of the voting rights in B,

(b) A is a member of B and has the right to appoint or remove a majority of the members of the board of directors (or, if there is no such board, the equivalent management body) of B,

(c) A is a member of B and controls alone, pursuant to an agreement with other shareholders or members, a majority of the voting rights in B, or

(d) A has the right to exercise, or actually exercises, dominant influence or control over B.

(5) For the purposes of subsection (4)(b)—

(a) any rights of a person controlled by A, and

(b) any rights of a person acting on behalf of A or a person controlled by A,

are treated as held by A.**]**

Textual Amendments

F735 Words in s. 89J(3) omitted (1.11.2015 for specified purposes, 26.11.2015 in so far as not already in force) by virtue of The Transparency Regulations 2015 (S.I. 2015/1755), regs. 1(2)(3), **2(5)**

[F736Powers exercisable in case of infringement of transparency obligation

Textual Amendments

F736 Ss. 89K-89N and cross-heading inserted (8.11.2006) by Companies Act 2006 (c. 46), **ss. 1268**, 1300(1)(a)

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89K Public censure of issuer

(1) If the **[**[F710]FCA**]** finds that an issuer of securities admitted to trading on a regulated market is failing or has failed to comply with an applicable transparency obligation, it may publish a statement to that effect.

(2) If the **[**[F710]FCA**]** proposes to publish a statement, it must give the issuer a warning notice setting out the terms of the proposed statement.

(3) If, after considering any representations made in response to the warning notice, the **[**[F710]FCA**]** decides to make the proposed statement, it must give the issuer a decision notice setting out the terms of the statement.

(4) A notice under this section must inform the issuer of his right to refer the matter to the Tribunal (see section 89N) and give an indication of the procedure on such a reference.

(5) In this section "transparency obligation" means an obligation **[**[F737]under qualifying transparency legislation**]**.

[In this Part "qualifying transparency legislation" means—

[F738](5A) (a) transparency rules,

(b) any EU regulation, originally made under the transparency obligations directive, that is **[**[F739]assimilated direct**]** legislation,

(c) regulations made by the Treasury under regulation 71 of the Official Listing of Securities, Prospectus and Transparency (Amendment etc.) (EU Exit) Regulations 2019 for a purpose specified in paragraphs 10 to 20 of Schedule 2 to those Regulations, or

(d) technical standards made by the FCA under regulation 72 of those Regulations for a purpose specified in paragraphs 31 to 35 of that Schedule.**]**

[F740](6) . . . . . .

Textual Amendments

F710 Words in ss. 89A-97 substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), **ss.**16(2)(3)(g), 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F737 Words in s. 89K(5) substituted (31.12.2020) by The Official Listing of Securities, Prospectus and Transparency (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/707), regs. 1(2), **24(2)** (with savings in S.I. 2019/680, reg. 11 (as amended by S.I. 2019/1234, regs. 1(3), 29(2))); 2020 c. 1, Sch. 5 para. 1(1)

F738 S. 89K(5A) inserted (31.12.2020) by The Official Listing of Securities, Prospectus and Transparency (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/707), regs. 1(2), **24(3)** (with savings in S.I. 2019/680, reg. 11 (as amended by S.I. 2019/1234, regs. 1(3), 29(2))); 2020 c. 1, Sch. 5 para. 1(1)

F739 Words in s. 89K(5A)(b) substituted (1.1.2024) by The Retained EU Law (Revocation and Reform) Act 2023 (Consequential Amendment) Regulations 2023 (S.I. 2023/1424), reg. 1(2), **Sch. para. 44(4)(c)**

F740 S. 89K(6) omitted (31.12.2020) by virtue of The Official Listing of Securities, Prospectus and Transparency (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/707), regs. 1(2), **24(4)** (with savings in S.I. 2019/680, reg. 11 (as amended by S.I. 2019/1234, regs. 1(3), 29(2))); 2020 c. 1, Sch. 5 para. 1(1)

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89L Power to suspend or prohibit trading of securities

(1) This section applies to securities admitted to trading on a regulated market.

(2) If the **[**F710FCA**]** has reasonable grounds for suspecting that an applicable transparency obligation has been infringed by an issuer, it may—

(a) suspend trading in the securities for a period not exceeding 10 days,

(b) prohibit trading in the securities, or

(c) make a request to the operator of the market on which the issuer's securities are traded—

(i) to suspend trading in the securities for a period not exceeding 10 days, or

(ii) to prohibit trading in the securities.

(3) If the **[**F710FCA**]** has reasonable grounds for suspecting that **[**F741an applicable transparency obligation**]** has been infringed by a voteholder of an issuer, it may—

(a) prohibit trading in the securities, or

(b) make a request to the operator of the market on which the issuer's securities are traded to prohibit trading in the securities.

(4) If the **[**F710FCA**]** finds that an applicable transparency obligation has been infringed, it may require the market operator to prohibit trading in the securities.

(5) In this section "transparency obligation" means an obligation **[**F742under qualifying transparency legislation**]**.

F743(6) . . . . . .

Textual Amendments

F710 Words in ss. 89A-97 substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), **ss.**16(2)(3)(g), 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F741 Words in s. 89L(3) substituted (31.12.2020) by The Official Listing of Securities, Prospectus and Transparency (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/707), regs. 1(2), **25(2)** (with savings in S.I. 2019/680, reg. 11 (as amended by S.I. 2019/1234, regs. 1(3), 29(2))); 2020 c. 1, Sch. 5 para. 1(1)

F742 Words in s. 89L(5) substituted (31.12.2020) by The Official Listing of Securities, Prospectus and Transparency (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/707), regs. 1(2), **25(3)** (with savings in S.I. 2019/680, reg. 11 (as amended by S.I. 2019/1234, regs. 1(3), 29(2))); 2020 c. 1, Sch. 5 para. 1(1)

F743 S. 89L(6) omitted (31.12.2020) by virtue of The Official Listing of Securities, Prospectus and Transparency (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/707), regs. 1(2), **25(4)** (with savings in S.I. 2019/680, reg. 11 (as amended by S.I. 2019/1234, regs. 1(3), 29(2))); 2020 c. 1, Sch. 5 para. 1(1)

89M Procedure under section 89L

(1) A requirement under section 89L takes effect—

(a) immediately, if the notice under subsection (2) states that that is the case;

(b) in any other case, on such date as may be specified in the notice.

(2) If the **[**F710FCA**]**—

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(a) proposes to exercise the powers in section 89L in relation to a person, or

(b) exercises any of those powers in relation to a person with immediate effect,

it must give that person written notice.

(3) The notice must—

(a) give details of the **[**F710FCA's**]** action or proposed action;

(b) state the **[**F710FCA's**]** reasons for taking the action in question and choosing the date on which it took effect or takes effect;

(c) inform the recipient that he may make representations to the **[**F710FCA**]** within such period as may be specified by the notice (whether or not he had referred the matter to the Tribunal);

(d) inform him of the date on which the action took effect or takes effect;

(e) inform him of his right to refer the matter to the Tribunal (see section 89N) and give an indication of the procedure on such a reference.

(4) The **[**F710FCA**]** may extend the period within which representations may be made to it.

(5) If, having considered any representations made to it, the **[**F710FCA**]** decides to maintain, vary or revoke its earlier decision, it must give written notice to that effect to the person mentioned in subsection (2).

Textual Amendments

F710 Words in ss. 89A-97 substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), **ss.**16(2)(3)(g), 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F710 89N Right to refer matters to the Tribunal

A person—

(a) to whom a decision notice is given under section 89K (public censure), or

(b) to whom a notice is given under section 89M (procedure in connection with suspension or prohibition of trading),

may refer the matter to the Tribunal.**]**

Textual Amendments

F710 Words in ss. 89A-97 substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), **ss.**16(2)(3)(g), 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

[F744 89NA Voting rights suspension orders

(1) The court may, on the application of the FCA and in accordance with this section, make a voting rights suspension order in respect of a person who is a voteholder in relation to shares in a particular company which are admitted to trading on a regulated market and identified in the application.

(2) A voting rights suspension order is an order which suspends the person's exercise of voting rights attaching to the shares to which the order relates.

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

(3) The court may make a voting rights suspension order in respect of a person only if it is satisfied—

(a) that the person has contravened one or more relevant transparency provisions in respect of any of the shares identified in the application or any other shares in the same company which are admitted to trading on a regulated market, and

(b) that the contravention is serious enough to make it appropriate to make the order.

(4) For the purposes of subsection (3)(b), the court may, in particular, have regard to—

(a) whether the contravention was deliberate or repeated;

(b) the time taken for the contravention to be remedied;

(c) whether the voteholder ignored warnings or requests for compliance from the FCA;

(d) the size of the holding of shares to which the contravention relates;

(e) any impact of the contravention on the integrity of the UK financial system;

(f) the effect of the contravention on any company merger or takeover.

(5) A voting rights suspension order may be made in relation to some or all of the shares to which the application relates.

(6) A voting rights suspension order may be made for a specified period or an indefinite period.

(7) A voting rights suspension order takes effect—

(a) on the date specified in the order, or

(b) if no date is specified, at the time it is made.

(8) Where a voting rights suspension order has been made, the FCA, the person to whom it applies or the company which issued the shares to which it relates, may apply to the court for—

(a) a variation of the order so as to alter the period for which it has effect or the shares in relation to which it has effect, or

(b) the discharge of the order.

(9) The FCA must consult the PRA before making an application to the court under this section in relation to—

(a) a person who is a PRA-authorised person, or

(b) shares issued by a PRA-authorised person.

(10) The jurisdiction conferred by this section is exercisable—

(a) in England and Wales and Northern Ireland, by the High Court, and

(b) in Scotland, by the Court of Session.

(11) In this section—

"relevant transparency provision" means—

(a) a provision of the transparency rules which **[**F745implemented**]** Article 9, 10, 12, 13 or 13a of the transparency obligations directive, F746...

(b) **[**F747a provision, originally made under any of those Articles, that is **[**F748assimilated direct**]** legislation,

(c) a provision of regulations made by the Treasury under regulation 71 of the Official Listing of Securities, Prospectus and Transparency

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(Amendment etc.) (EU Exit) Regulations 2019 for a purpose specified in paragraphs 13 to 16 of Schedule 2 to those Regulations, or

(d) a provision of technical standards made by the FCA under regulation 72 of those Regulations for a purpose specified in paragraphs 32 to 35 of that Schedule.**]**

"voteholder" has the meaning given by section 89J(3).**]**

Textual Amendments

F744 S. 89NA inserted (26.11.2015) by The Transparency Regulations 2015 (S.I. 2015/1755), regs. 1(3), **4(1)**

F745 Word in s. 89NA(11) substituted (31.12.2020) by The Official Listing of Securities, Prospectus and Transparency (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/707), regs. 1(2), **26(a)** (with savings in S.I. 2019/680, reg. 11 (as amended by S.I. 2019/1234, regs. 1(3), 29(2))); 2020 c. 1, Sch. 5 para. 1(1)

F746 Word in s. 89NA(11) omitted (31.12.2020) by virtue of The Official Listing of Securities, Prospectus and Transparency (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/707), regs. 1(2), **26(b)** (with savings in S.I. 2019/680, reg. 11 (as amended by S.I. 2019/1234, regs. 1(3), 29(2))); 2020 c. 1, Sch. 5 para. 1(1)

F747 Words in s. 89NA(11) substituted (31.12.2020) by The Official Listing of Securities, Prospectus and Transparency (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/707), regs. 1(2), **26(c)** (with savings in S.I. 2019/680, reg. 11 (as amended by S.I. 2019/1234, regs. 1(3), 29(2))); 2020 c. 1, Sch. 5 para. 1(1)

F748 Words in s. 89NA(11)(b) substituted (1.1.2024) by The Retained EU Law (Revocation and Reform) Act 2023 (Consequential Amendment) Regulations 2023 (S.I. 2023/1424), reg. 1(2), **Sch. para. 44(4)(d)**

[F749 Corporate governance

Textual Amendments

F749 S. 89O and cross-heading inserted (8.11.2006) by Companies Act 2006 (c. 46), **ss. 1269**, 1300(1)(a)

89O Corporate governance rules

[F750(1) The FCA may make rules ("corporate governance rules") relating to the corporate governance of issuers who have requested or approved admission of their securities to trading on a regulated market.**]**

(2) "Corporate governance", in relation to an issuer, includes—

(a) the nature, constitution or functions of the organs of the issuer;

(b) the manner in which organs of the issuer conduct themselves;

(c) the requirements imposed on organs of the issuer;

(d) the relationship between the different organs of the issuer;

(e) the relationship between the organs of the issuer and the members of the issuer or holders of the issuer's securities.

F751(3) . . . . . .

F752(4) . . . . . .

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(5) This section is without prejudice to any other power conferred by this Part to make Part 6 rules.**]**

Textual Amendments

F750 S. 89O(1) substituted (31.12.2020) by The Official Listing of Securities, Prospectus and Transparency (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/707), regs. 1(2), **27(2)** (with savings in S.I. 2019/680, reg. 11 (as amended by S.I. 2019/1234, regs. 1(3), 29(2))); 2020 c. 1, Sch. 5 para. 1(1)

F751 S. 89O(3) omitted (31.12.2020) by virtue of The Official Listing of Securities, Prospectus and Transparency (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/707), regs. 1(2), **27(3)** (with savings in S.I. 2019/680, reg. 11 (as amended by S.I. 2019/1234, regs. 1(3), 29(2))); 2020 c. 1, Sch. 5 para. 1(1)

F752 S. 89O(4) omitted (31.12.2020) by virtue of The Official Listing of Securities, Prospectus and Transparency (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/707), regs. 1(2), **27(3)** (with savings in S.I. 2019/680, reg. 11 (as amended by S.I. 2019/1234, regs. 1(3), 29(2))); 2020 c. 1, Sch. 5 para. 1(1)

[F753 Primary information providers

Textual Amendments

F753 Ss. 89P-89V inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), **ss. 19(1)**, 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

89P Primary information providers

(1) Part 6 rules may require issuers of financial instruments to use primary information providers for the purpose of giving information of a specified description to a market of a specified description.

(2) "Primary information provider" means a person approved by the FCA for the purposes of this section.

(3) "Specified" means specified in the Part 6 rules.

(4) Part 6 rules made by virtue of subsection (1) may—

(a) provide for the FCA to maintain a list of providers;

(b) impose requirements on a provider in relation to the giving of information or of information of a specified description;

(c) specify the circumstances in which a person is qualified for being approved as a provider;

(d) provide for limitations or other restrictions to be imposed on the giving of information to which an approval relates (whether or not the approval has already been granted);

(e) provide for the approval of a provider to be suspended on the application of the provider.

(5) If the FCA proposes—

(a) to refuse a person's application under information provider rules,

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(b) to impose limitations or other restrictions on the giving of information to which a person's approval relates, or

(c) to cancel a person's approval as a provider otherwise than at the person's request,

it must give the person a warning notice.

(6) If the FCA decides—

(a) to grant the application under information provider rules,

(b) not to impose limitations or other restrictions on the giving of information to which a person's approval relates, or

(c) not to cancel the approval,

it must give the person concerned written notice of its decision.

(7) If the FCA decides—

(a) to refuse to grant the application under information provider rules,

(b) to impose limitations or other restrictions on the giving of information to which a person's approval relates, or

(c) to cancel the approval,

it must give the person concerned a decision notice.

(8) A person to whom a decision notice is given under this section may refer the matter to the Tribunal.

(9) In this section any reference to an application under information provider rules means—

(a) an application for approval as a provider,

(b) an application for the suspension of an approval as a provider,

(c) an application for the withdrawal of the suspension of an approval as a provider, or

(d) an application for the withdrawal or variation of a limitation or other restriction on the giving of information to which a provider's approval relates.

89Q Disciplinary powers: contravention of s.89P(4)(b) or (d)

(1) The FCA may take action against a provider under this section if it considers that the provider has contravened a requirement or restriction imposed on the provider by rules made as a result of section 89P(4)(b) or (d).

(2) If the FCA is entitled to take action under this section against a provider, it may do one or more of the following—

(a) impose a penalty on the provider of such amount as it considers appropriate;

(b) suspend, for such period as it considers appropriate, the provider's approval;

(c) impose, for such period as it considers appropriate, such limitations or other restrictions in relation to the giving by the provider of information as it considers appropriate;

(d) publish a statement to the effect that the provider has contravened a requirement or restriction imposed on the provider by rules made as a result of section 89P(4)(b) or (d).

(3) The period for which a suspension or restriction is to have effect may not exceed 12 months.

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(4) A suspension may relate only to the giving of information in specified circumstances.

(5) A restriction may, in particular, be imposed so as to require the provider to take, or refrain from taking, specified action.

(6) The FCA may—

(a) withdraw a suspension or restriction, or

(b) vary a suspension or restriction so as to reduce the period for which it has effect or otherwise to limit its effect.

(7) The FCA may not take action against a provider under this section after the end of the limitation period unless, before the end of that period, it has given a warning notice to the provider under section 89R(1).

(8) "The limitation period" means the period of 3 years beginning with the first day on which the FCA knew that the provider had contravened the requirement or restriction.

(9) For this purpose the FCA is to be treated as knowing that a provider has contravened a requirement or restriction if it has information from which that can reasonably be inferred.

89R Action under s.89Q: procedure and right to refer to Tribunal

(1) If the FCA proposes to take action against a provider under section 89Q, it must give the provider a warning notice.

(2) A warning notice about a proposal to impose a penalty must state the amount of the penalty.

(3) A warning notice about a proposal—

(a) to suspend an approval, or

(b) to impose a restriction in relation to the giving of information,

must state the period for which the suspension or restriction is to have effect.

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

(5) If the FCA decides to take action against a provider under section 89Q, it must give the provider a decision notice.

(6) A decision notice about the imposition of a penalty must state the amount of the penalty.

(7) A decision notice about—

(a) the suspension of an approval, or

(b) the imposition of a restriction in relation to the giving of information,

must state the period for which the suspension or restriction is to have effect.

(8) A decision notice about the publication of a statement must set out the terms of the statement.

(9) If the FCA decides to take action against a provider under section 89Q, the provider may refer the matter to the Tribunal.

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89S Action under s.89Q: statement of policy

(1) The FCA must prepare and issue a statement of its policy with respect to—

(a) the imposition of penalties, suspensions or restrictions under section 89Q,

(b) the amount of penalties under that section,

(c) the period for which suspensions or restrictions under that section are to have effect, and

(d) the matters in relation to which suspensions or restrictions under that section are to have effect.

(2) The FCA's policy in determining what the amount of a penalty should be, or what the period for which a suspension or restriction is to have effect should be, must include having regard to—

(a) the seriousness of the contravention in question in relation to the nature of the requirement concerned,

(b) the extent to which that contravention was deliberate or reckless, and

(c) whether the provider concerned is an individual.

(3) The FCA may at any time alter or replace a statement issued under this section.

(4) If a statement issued under this section is altered or replaced, the FCA must issue the altered or replacement statement.

(5) In exercising, or deciding whether to exercise, its power under section 89Q in the case of any particular contravention, the FCA must have regard to any statement of policy published under this section and in force at a time when the contravention in question occurred.

(6) A statement issued under this section must be published by the FCA in the way appearing to the FCA to be best calculated to bring it to the attention of the public.

(7) The FCA may charge a reasonable fee for providing a person with a copy of the statement.

(8) The FCA must, without delay, give the Treasury a copy of any statement which it publishes under this section.

89T Statement of policy under s.89S: procedure

(1) Before issuing a statement under section 89S, the FCA must publish a draft of the proposed statement in the way appearing to the FCA to be best calculated to bring it to the attention of the public.

(2) The draft must be accompanied by notice that representations about the proposal may be made to the FCA within a specified time.

(3) Before issuing the proposed statement, the FCA must have regard to any representations made to it in accordance with subsection (2).

(4) If the FCA issues the proposed statement it must publish an account, in general terms, of—

(a) the representations made to it in accordance with subsection (2); and

(b) its response to them.

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(5) If the statement differs from the draft published under subsection (1) in a way which is, in the opinion of the FCA, significant, the FCA must (in addition to complying with subsection (4)) publish details of the difference.

(6) The FCA may charge a reasonable fee for providing a person with a copy of a draft published under subsection (1).

(7) This section also applies to a proposal to alter or replace a statement.

89U Powers exercisable to advance operational objectives

(1) The FCA may take action against a provider under this section if it considers that it is desirable to do so in order to advance one or more of its operational objectives.

(2) If the FCA is entitled to take action under this section against a provider, it may—

(a) suspend, for such period as it considers appropriate, the provider's approval, or

(b) impose, for such period as it considers appropriate, such limitations or other restrictions in relation to the giving by the provider of information as it considers appropriate.

(3) A suspension may relate only to the giving of information in specified circumstances.

(4) A restriction may, in particular, be imposed so as to require the provider to take, or refrain from taking, specified action.

(5) The FCA may—

(a) withdraw a suspension or restriction, or

(b) vary a suspension or restriction so as to reduce the period for which it has effect or otherwise to limit its effect.

(6) A person against whom the FCA takes action under this section may refer the matter to the Tribunal.

89V Action under s.89U: procedure

(1) Action against a provider under section 89U takes effect—

(a) immediately, if the notice given under subsection (2) so provides, or

(b) on such later date as may be specified in the notice.

(2) If the FCA—

(a) proposes to take action against a provider under that section, or

(b) takes action against a provider under that section with immediate effect,

it must give the provider written notice.

(3) The notice must—

(a) give details of the action,

(b) state the FCA's reasons for taking the action and for its determination as to when the action takes effect,

(c) inform the provider that the provider may make representations to the FCA within such period as may be specified in the notice (whether or not the matter has been referred to the Tribunal),

(d) inform the provider of when the action takes effect,

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(e) inform the provider of the right to refer the matter to the Tribunal, and

(f) give an indication of the procedure on such a reference.

(4) The FCA may extend the period allowed under the notice for making representations.

(5) If the FCA decides—

(a) to take the action in the way proposed, or

(b) if the action has taken effect, not to rescind it,

the FCA must give the provider written notice.

(6) If the FCA decides—

(a) not to take the action in the way proposed,

(b) to take action under section 89U that differs from the action originally proposed, or

(c) to rescind action which has taken effect,

the FCA must give the provider written notice.

(7) A notice under subsection (5) must—

(a) inform the provider of the right to refer the matter to the Tribunal, and

(b) give an indication of the procedure on such a reference.

(8) A notice under subsection (6)(b) must comply with subsection (3).**]**

[F754 89W. Storage of regulated information

(1) The FCA must ensure that there is at least one mechanism for the central storage of regulated information F755....

[F756(1A) The mechanism must comply with minimum quality standards of security, certainty as to the information source, time recording and easy access by end users (see provision made under regulation 71 of the Official Listing of Securities, Prospectus and Transparency (Amendment etc.) (EU Exit) Regulations 2019 for the purpose specified in paragraph 19(b) of Schedule 2 to those Regulations).

(1B) The mechanism must be aligned with the procedure for filing the regulated information with the FCA.**]**

[F757(2) In this section "regulated information" means information which an issuer, or a person who has applied for the admission of securities to trading on a regulated market without the issuer's consent, is required to disclose under—

(a) listing rules,

(b) qualifying transparency legislation, or

(c) Articles 17 to 19 of the market abuse regulation.**]]**

Textual Amendments

F754 S. 89W inserted (1.11.2015) by The Transparency Regulations 2015 (S.I. 2015/1755), regs. 1(2), **3**

F755 Words in s. 89W(1) omitted (31.12.2020) by virtue of The Official Listing of Securities, Prospectus and Transparency (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/707), regs. 1(2), **28(2)** (with savings in S.I. 2019/680, reg. 11 (as amended by S.I. 2019/1234, regs. 1(3), 29(2))); 2020 c. 1, Sch. 5 para. 1(1)

F756 S. 89W(1A)(1B) inserted (31.12.2020) by The Official Listing of Securities, Prospectus and Transparency (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/707), regs. 1(2), **28(3)** (with

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savings in S.I. 2019/680, reg. 11 (as amended by S.I. 2019/1234, regs. 1(3), 29(2))); 2020 c. 1, Sch. 5 para. 1(1)

F757 S. 89W(2) substituted (31.12.2020) by The Official Listing of Securities, Prospectus and Transparency (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/707), regs. 1(2), **28(4)** (with savings in S.I. 2019/680, reg. 11 (as amended by S.I. 2019/1234, regs. 1(3), 29(2))); 2020 c. 1, Sch. 5 para. 1(1)

[F758 Compensation for false or misleading statements etc]

Textual Amendments

F758 S. 90 cross-heading substituted (8.11.2006) by Companies Act 2006 (c. 46), ss. 1272, 1300(1)(a), **Sch. 15 para. 4**

90 [F759 Compensation for statements in listing particulars F760 ...]

(1) Any person responsible for listing particulars is liable to pay compensation to a person who has—

(a) acquired securities to which the particulars apply; and

(b) suffered loss in respect of them as a result of—

(i) any untrue or misleading statement in the particulars; or

(ii) the omission from the particulars of any matter required to be included by section 80 or 81.

(2) Subsection (1) is subject to exemptions provided by Schedule 10.

(3) If listing particulars are required to include information about the absence of a particular matter, the omission from the particulars of that information is to be treated as a statement in the listing particulars that there is no such matter.

(4) Any person who fails to comply with section 81 is liable to pay compensation to any person who has—

(a) acquired securities of the kind in question; and

(b) suffered loss in respect of them as a result of the failure.

(5) Subsection (4) is subject to exemptions provided by Schedule 10.

(6) This section does not affect any liability which may be incurred apart from this section.

(7) References in this section to the acquisition by a person of securities include references to his contracting to acquire them or any interest in them.

(8) No person shall, by reason of being a promoter of a company or otherwise, incur any liability for failing to disclose information which he would not be required to disclose in listing particulars in respect of a company's securities—

(a) if he were responsible for those particulars; or

(b) if he is responsible for them, which he is entitled to omit by virtue of section 82.

(9) The reference in subsection (8) to a person incurring liability includes a reference to any other person being entitled as against that person to be granted any civil remedy or to rescind or repudiate an agreement.

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(10) "Listing particulars", in subsection (1) and Schedule 10, includes supplementary listing particulars.

F761(11) . . . . . .

F761(11A) . . . . . .

F761(12) . . . . . .

Textual Amendments

F759 S. 90 words in heading substituted (8.11.2006) by Companies Act 2006 (c. 46), ss. 1272, 1300(1)(a), **Sch. 15 para. 5**

F760 Words in s. 90 heading heading omitted (30.1.2024 for specified purposes, 19.1.2026 in so far as not already in force) by virtue of The Public Offers and Admissions to Trading Regulations 2024 (S.I. 2024/105), reg. 2(2)(3), **Sch. 3 para. 8(2)** (with regs. 48-50); S.I. 2025/1078, reg. 5(b) (with reg. 12)

F761 S. 90(11)(11A)(12) omitted (30.1.2024 for specified purposes, 19.1.2026 in so far as not already in force) by virtue of The Public Offers and Admissions to Trading Regulations 2024 (S.I. 2024/105), reg. 2(2)(3), **Sch. 3 para. 8(3)** (with regs. 48-50); S.I. 2025/1078, reg. 5(b) (with reg. 12)

Modifications etc. (not altering text)

C310 S. 90 restricted (1.12.2001) by S.I. 2001/2957, **arts. 1**, 7(3); S.I. 2001/3538, **art. 2(1)**

[F762 90ZA Liability for key investor information

(1) A person is not to be subject to civil liability solely on the basis of the key investor information produced in relation to a collective investment scheme or a sub-fund of such a scheme in accordance with rules or other provisions **[**F763originally made in implementation of**]** Chapter IX of the UCITS directive, or of any translation of that information, unless the key investor information is misleading, inaccurate or inconsistent with the relevant parts of the prospectus published for that collective investment scheme or sub-fund in accordance with rules made by **[**F710the FCA**]** under section 248 **[**F764or 261J**]** of this Act.

(2) In this section, a reference to a sub-fund of a collective investment scheme is a reference to a part of the property of the collective investment scheme which forms a separate pool where—

(a) the collective investment scheme provides arrangements for separate pooling of the contributions of the participants and the profits and income out of which payments are made to them; and

(b) the participants are entitled to exchange rights in one pool for rights in another.**]**

Textual Amendments

F710 Words in ss. 89A-97 substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), **ss.**16(2)(3)(g), 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F762 S. 90ZA inserted (1.7.2011) by The Undertakings for Collective Investment in Transferable Securities Regulations 2011 (S.I. 2011/1613), **reg. 2(3)**

F763 Words in s. 90ZA substituted (31.12.2020) by The Official Listing of Securities, Prospectus and Transparency (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/707), regs. 1(2), **29** (with

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savings in S.I. 2019/680, reg. 11 (as amended by S.I. 2019/1234, regs. 1(3), 29(2))); 2020 c. 1, Sch. 5 para. 1(1)

F764 Words in s. 90ZA(1) inserted (6.6.2013) by The Collective Investment in Transferable Securities (Contractual Scheme) Regulations 2013 (S.I. 2013/1388), regs. 1, **3(2)** (with reg. 24)

[F765[F766]90A Liability of issuers in connection with published information

Schedule 10A makes provision about the liability of issuers of securities to pay compensation to persons who have suffered loss as a result of—

(a) a misleading statement or dishonest omission in certain published information relating to the securities, or

(b) a dishonest delay in publishing such information.]

Textual Amendments

F765 Ss. 90A, 90B inserted (8.11.2006) by Companies Act 2006 (c. 46), **ss. 1270**, 1300(1)(a)

F766 S. 90A substituted (1.10.2010 with effect in accordance with reg. 3(1) of the amending S.I.) by The Financial Services and Markets Act 2000 (Liability of Issuers) Regulations 2010 (S.I. 2010/1192), **reg. 2(2)** (with reg. 3(2))

90B Power to make further provision about liability for published information

(1) The Treasury may by regulations make provision about the liability of issuers of securities traded on a regulated market, and other persons, in respect of information published to holders of securities, to the market or to the public generally.

(2) Regulations under this section may amend any primary or subordinate legislation, including any provision of, or made under, this Act.]

Textual Amendments

F765 Ss. 90A, 90B inserted (8.11.2006) by Companies Act 2006 (c. 46), **ss. 1270**, 1300(1)(a)

Penalties

91 [F767Penalties for breach of Part 6 rules]

[F768[F769](1) If the [F710FCA] considers that—

(a) an issuer of listed securities, or

(b) an applicant for listing,

has contravened any provision of listing rules, it may impose on him a penalty of such amount as it considers appropriate.

F770(1ZA) . . . . . .]

F771(1A) . . . . . .

[F772(1B) If the [F710FCA] considers—

(a) that a person has contravened—

(i) a provision of [F773qualifying transparency legislation], or

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(ii) a provision of corporate governance rules, or

(b) that a person on whom a requirement has been imposed under section 89L (power to suspend or prohibit trading of securities in case of infringement of applicable transparency obligation), has contravened that requirement,

it may impose on the person a penalty of such amount as it considers appropriate.**]**

(2) If, in the case of a contravention **[**F774by a person**]** referred to in subsection **[**F775(1), F776... F777... or **[**F778(1B)(a)(ii) or (b)**]][**F779("P")**]**, the **[**F710FCA**]** considers that **[**F780another person**]** who was at the material time a director of **[**F781P**]** was knowingly concerned in the contravention, it may impose upon him a penalty of such amount as it considers appropriate.**]**

[F782(2A) If—

(a) a person has contravened a provision mentioned in subsection (1B)(a)(i), and

(b) the FCA considers that another person ("A"), who was at the material time a relevant officer of the person, was knowingly concerned in the contravention,

the FCA may impose upon A a penalty of such amount as it considers appropriate.

(2B) In subsection (2A) "relevant officer" of a person means—

(a) a director or other similar officer of the person, or

(b) if the affairs of the person are managed by its members, a member of the person.**]**

(3) If the **[**F710FCA**]** is entitled to impose a penalty on a person under this section in respect of a particular matter it may, instead of imposing a penalty on him in respect of that matter, publish a statement censuring him.

(4) Nothing in this section prevents the **[**F710FCA**]** from taking any other steps which it has power to take under this Part.

(5) A penalty under this section is payable to the **[**F710FCA**]**.

(6) The **[**F710FCA**]** may not take action against a person under this section after the end of the period of **[**F7833 years**]** beginning with the first day on which it knew of the contravention unless proceedings against that person, in respect of the contravention, were begun before the end of that period.

(7) For the purposes of subsection (6)—

(a) the **[**F710FCA**]** is to be treated as knowing of a contravention if it has information from which the contravention can reasonably be inferred; and

(b) proceedings against a person in respect of a contravention are to be treated as begun when a warning notice is given to him under section 92.

Textual Amendments

F710 Words in ss. 89A-97 substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), **ss.**16(2)(3)(g), 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F767 S. 91 heading substituted (1.7.2005) by The Prospectus Regulations 2005 (S.I. 2005/1433), reg. 2(1), **Sch. 1 para. 7(4)**

F768 S. 91(1)(2) substituted (1.7.2005) by The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2005 (S.I. 2005/381), regs. 1(2), 4, **Sch. 1 para. 4**

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F769 S. 91(1)(1ZA) substituted for s. 91(1) (8.11.2006) by Companies Act 2006 (c. 46), ss. 1272, 1300(1)(a), **Sch. 15 para. 6(2)**

F770 S. 91(1ZA) omitted (3.7.2016) by virtue of The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **8(3)(a)**

F771 S. 91(1A) omitted (30.1.2024 for specified purposes, 19.1.2026 in so far as not already in force) by virtue of The Public Offers and Admissions to Trading Regulations 2024 (S.I. 2024/105), reg. 2(2)(3), **Sch. 3 para. 9(2)** (with regs. 48-50); S.I. 2025/1078, reg. 5(b) (with reg. 12)

F772 S. 91(1B) inserted (8.11.2006) by Companies Act 2006 (c. 46), ss. 1272, 1300(1)(a), **Sch. 15 para. 6(3)**

F773 Words in s. 91(1B)(a)(i) substituted (31.12.2020) by The Official Listing of Securities, Prospectus and Transparency (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/707), regs. 1(2), **30(3)** (with savings in S.I. 2019/680, reg. 11 (as amended by S.I. 2019/1234, regs. 1(3), 29(2))); 2020 c. 1, Sch. 5 para. 1(1)

F774 Words in s. 91(2) substituted (1.7.2005) by The Prospectus Regulations 2005 (S.I. 2005/1433), reg. 2(1), **Sch. 1 para. 7(3)(a)**

F775 Words in s. 91(2) substituted (8.11.2006) by Companies Act 2006 (c. 46), ss. 1272, 1300(1)(a), **Sch. 15 para. 6(4)**

F776 Word in s. 91(2) omitted (3.7.2016) by virtue of The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **8(3)(b)**

F777 Word in s. 91(2) omitted (30.1.2024 for specified purposes, 19.1.2026 in so far as not already in force) by virtue of The Public Offers and Admissions to Trading Regulations 2024 (S.I. 2024/105), reg. 2(2)(3), **Sch. 3 para. 9(3)** (with regs. 48-50); S.I. 2025/1078, reg. 5(b) (with reg. 12)

F778 Words in s. 91(2) substituted (26.11.2015) by The Transparency Regulations 2015 (S.I. 2015/1755), regs. 1(3), **4(2)(a)**

F779 Words in s. 91(2) substituted (1.7.2005) by The Prospectus Regulations 2005 (S.I. 2005/1433), reg. 2(1), **Sch. 1 para. 7(3)(b)**

F780 Words in s. 91(2) substituted (1.7.2005) by The Prospectus Regulations 2005 (S.I. 2005/1433), reg. 2(1), **Sch. 1 para. 7(3)(c)**

F781 Word in s. 91(2) substituted (1.7.2005) by The Prospectus Regulations 2005 (S.I. 2005/1433), reg. 2(1), **Sch. 1 para. 7(3)(d)**

F782 S. 91(2A)(2B) inserted (26.11.2015) by The Transparency Regulations 2015 (S.I. 2015/1755), regs. 1(3), **4(2)(b)**

F783 Words in s. 91(6) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 20**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

Modifications etc. (not altering text)

C311 S. 91(6)(7) applied (with modifications) (1.12.2001) by S.I. 2001/2957, **arts. 1**, 11(4)-(6); S.I. 2001/3538, **art. 2(1)**

92 Procedure.

(1) If the **[**F710FCA**]** proposes to take action against a person under section 91, it must give him a warning notice.

(2) A warning notice about a proposal to impose a penalty must state the amount of the proposed penalty.

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

(4) If the **[**F710FCA**]** decides to take action against a person under section 91, it must give him a decision notice.

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(5) A decision notice about the imposition of a penalty must state the amount of the penalty.

(6) A decision notice about the publication of a statement must set out the terms of the statement.

(7) If the **[**F710FCA**]** decides to take action against a person under section 91, he may refer the matter to the Tribunal.

Textual Amendments

F710 Words in ss. 89A-97 substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), **ss.**16(2)(3)(g), 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

Modifications etc. (not altering text)

C312 S. 92(1)(3)(4)(6)(7) applied (with modifications) (1.12.2001) by S.I. 2001/2957, **arts. 1**, 11(3), 12, 13; S.I. 2001/3538, **art. 2(1)**

93 Statement of policy.

(1) The **[**F710FCA**]** must prepare and issue a statement ("its policy statement") of its policy with respect to—

(a) the imposition of penalties under section 91; and

(b) the amount of penalties under that section.

(2) The **[**F710FCA's**]** policy in determining what the amount of a penalty should be must include having regard to—

(a) the seriousness of the contravention in question in relation to the nature of the requirement contravened;

(b) the extent to which that contravention was deliberate or reckless; and

(c) whether the person on whom the penalty is to be imposed is an individual.

(3) The **[**F710FCA**]** may at any time alter or replace its policy statement.

(4) If its policy statement is altered or replaced, the **[**F710FCA**]** must issue the altered or replacement statement.

(5) In exercising, or deciding whether to exercise, its power under section 91 in the case of any particular contravention, the **[**F710FCA**]** must have regard to any policy statement published under this section and in force at the time when the contravention in question occurred.

(6) The **[**F710FCA**]** must publish a statement issued under this section in the way appearing to the **[**F710FCA**]** to be best calculated to bring it to the attention of the public.

(7) The **[**F710FCA**]** may charge a reasonable fee for providing a person with a copy of the statement.

(8) The **[**F710FCA**]** must, without delay, give the Treasury a copy of any policy statement which it publishes under this section.

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Textual Amendments

F710 Words in ss. 89A-97 substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), **ss.**16(2)(3)(g), 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

94 Statements of policy: procedure.

(1) Before issuing a statement under section 93, the **[**F710FCA**]** must publish a draft of the proposed statement in the way appearing to the **[**F710FCA**]** to be best calculated to bring it to the attention of the public.

(2) The draft must be accompanied by notice that representations about the proposal may be made to the **[**F710FCA**]** within a specified time.

(3) Before issuing the proposed statement, the **[**F710FCA**]** must have regard to any representations made to it in accordance with subsection (2).

(4) If the **[**F710FCA**]** issues the proposed statement it must publish an account, in general terms, of—

(a) the representations made to it in accordance with subsection (2); and

(b) its response to them.

(5) If the statement differs from the draft published under subsection (1) in a way which is, in the opinion of the **[**F710FCA**]**, significant, the **[**F710FCA**]** must (in addition to complying with subsection (4)) publish details of the difference.

(6) The **[**F710FCA**]** may charge a reasonable fee for providing a person with a copy of a draft published under subsection (1).

(7) This section also applies to a proposal to alter or replace a statement.

Textual Amendments

F710 Words in ss. 89A-97 substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), **ss.**16(2)(3)(g), 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

Competition

F784 95 Competition scrutiny.

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Textual Amendments

F784 S. 95 repealed (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 21**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

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Miscellaneous

96 Obligations of issuers of listed securities.

(1) Listing rules may—

(a) specify requirements to be complied with by issuers of listed securities; and

(b) make provision with respect to the action that may be taken by the **[**[F710]FCA**]** in the event of non-compliance.

(2) If the rules require an issuer to publish information, they may include provision authorising the **[**[F710]FCA**]** to publish it in the event of his failure to do so.

(3) This section applies whenever the listed securities were admitted to the official list.

Textual Amendments

F710 Words in ss. 89A-97 substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), **ss.**16(2)(3)(g), 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

Modifications etc. (not altering text)

C313 S. 96 applied by 2009 c. 1, s. 39B(2) (as inserted (1.1.2015) by The Bank Recovery and Resolution Order 2014 (S.I. 2014/3329), arts. 1(2), **39**)

C314 S. 96 applied by 2009 c. 1, s. 48L(6A) (as inserted (1.1.2015) by The Bank Recovery and Resolution Order 2014 (S.I. 2014/3329), arts. 1(2), **53(6)**)

[F785] 96A Disclosure of information requirements

. . . . . .

Textual Amendments

F785 Ss. 96A-96C omitted (3.7.2016) by virtue of The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **8(4)**

[F785] 96B **[**[F786]Disclosure rules: persons responsible for compliance**]**

. . . . . .

Textual Amendments

F785 Ss. 96A-96C omitted (3.7.2016) by virtue of The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **8(4)**

F786 Words in s. 96B heading substituted (8.11.2006) by Companies Act 2006 (c. 46), ss. 1272, 1300(1)(a), **Sch. 15 para. 7(a)**

[F785] 96C Suspension of trading

. . . . . .

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Textual Amendments

F785 Ss. 96A-96C omitted (3.7.2016) by virtue of The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **8(4)**

97 Appointment by [F710FCA] of persons to carry out investigations.

(1) Subsection (2) applies if it appears to the [F710FCA] that there are circumstances suggesting that—

[F787(a) there may have been a contravention of—

(i) a provision of this Part or of Part 6 rules, F788... [F789or]

[F790(ii) any other provision of qualifying transparency legislation, F791...]

F792(iii) . . . . . .

(b) a person who was at the material time a director of a person mentioned in section 91(1), F793... F794... [F795or section 91(1B) (ignoring paragraph (a)(i) of that provision),] has been knowingly concerned in a contravention by that person of—

(i) a provision of this Part or of Part 6 rules, F796... [F797or]

[F798(ii) any other provision of qualifying transparency legislation, F799...]

F800(iii) . . . . . .]

[F801(ba) a person who was at the material time a relevant officer of a person mentioned in section 91(1B) (ignoring paragraphs (a)(ii) and (b) of that provision) has been knowingly concerned in a contravention [F802by that person of qualifying transparency legislation;]

F803(c) . . . . . .

F804(d) . . . . . .

(2) The [F710FCA] may appoint one or more competent persons to conduct an investigation on its behalf.

(3) Part XI applies to an investigation under subsection (2) as if—

(a) the investigator were appointed under section 167(1);

(b) references to the investigating authority in relation to him were to the [F710FCA];

F805(c) . . . . . .

(d) references to an authorised person were references to the person under investigation.

F806(4) [In this section "relevant officer" has the meaning given by section 91(2B).]]

Textual Amendments

F710 Words in ss. 89A-97 substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), **ss.**16(2)(3)(g), 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F787 S. 97(1)(a)(b) substituted (8.11.2006) by Companies Act 2006 (c. 46), ss. 1272, 1300(1)(a), **Sch. 15 para. 8**

F788 Word in s. 97(1)(a)(i) omitted (21.7.2019) by virtue of The Financial Services and Markets Act 2000 (Prospectus) Regulations 2019 (S.I. 2019/1043), regs. 1(1), **27(2)(a)** (with reg. 40)

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F789 Word in s. 97(1)(a)(i) inserted (30.1.2024 for specified purposes, 19.1.2026 in so far as not already in force) by The Public Offers and Admissions to Trading Regulations 2024 (S.I. 2024/105), reg. 2(2)(3), **Sch. 3 para. 10(2)(a)(i)** (with regs. 48-50); S.I. 2025/1078, reg. 5(b) (with reg. 12)

F790 S. 97(1)(a)(ii) substituted (31.12.2020) by S.I. 2019/707, **reg. 31(a)** (as substituted by The Prospectus (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/1234), regs. 1(3), **18** (with savings in S.I. 2019/680, **reg. 11** (as amended by S.I. 2019/1234, **reg. 29(2)**)); 2020 c. 1, **Sch. 5 para. 1(1)**)

F791 Word in s. 97(1)(a)(ii) omitted (30.1.2024 for specified purposes, 19.1.2026 in so far as not already in force) by virtue of The Public Offers and Admissions to Trading Regulations 2024 (S.I. 2024/105), reg. 2(2)(3), **Sch. 3 para. 10(2)(a)(ii)** (with regs. 48-50); S.I. 2025/1078, reg. 5(b) (with reg. 12)

F792 S. 97(1)(a)(iii) omitted (30.1.2024 for specified purposes, 19.1.2026 in so far as not already in force) by virtue of The Public Offers and Admissions to Trading Regulations 2024 (S.I. 2024/105), reg. 2(2)(3), **Sch. 3 para. 10(2)(a)(iii)** (with regs. 48-50); S.I. 2025/1078, reg. 5(b) (with reg. 12)

F793 Word in s. 97(1)(b) omitted (3.7.2016) by virtue of The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **8(5)**

F794 Words in s. 97(1)(b) omitted (30.1.2024 for specified purposes, 19.1.2026 in so far as not already in force) by virtue of The Public Offers and Admissions to Trading Regulations 2024 (S.I. 2024/105), reg. 2(2)(3), **Sch. 3 para. 10(2)(b)(i)** (with regs. 48-50); S.I. 2025/1078, reg. 5(b) (with reg. 12)

F795 Words in s. 97(1)(b) substituted (26.11.2015) by The Transparency Regulations 2015 (S.I. 2015/1755), regs. 1(3), **4(3)(a)(i)**

F796 Word in s. 97(1)(b)(i) omitted (21.7.2019) by virtue of The Financial Services and Markets Act 2000 (Prospectus) Regulations 2019 (S.I. 2019/1043), regs. 1(1), **27(3)(a)** (with reg. 40)

F797 Word in s. 97(1)(b)(i) inserted (30.1.2024 for specified purposes, 19.1.2026 in so far as not already in force) by The Public Offers and Admissions to Trading Regulations 2024 (S.I. 2024/105), reg. 2(2)(3), **Sch. 3 para. 10(2)(b)(ii)** (with regs. 48-50); S.I. 2025/1078, reg. 5(b) (with reg. 12)

F798 S. 97(1)(b)(ii) substituted (31.12.2020) by S.I. 2019/707, **reg. 31(b)** (as substituted by The Prospectus (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/1234), regs. 1(3), **18** (with savings in S.I. 2019/680, **reg. 11** (as amended by S.I. 2019/1234, **reg. 29(2)**)); 2020 c. 1, **Sch. 5 para. 1(1)**)

F799 Word in s. 97(1)(b)(ii) omitted (30.1.2024 for specified purposes, 19.1.2026 in so far as not already in force) by virtue of The Public Offers and Admissions to Trading Regulations 2024 (S.I. 2024/105), reg. 2(2)(3), **Sch. 3 para. 10(2)(b)(iii)** (with regs. 48-50); S.I. 2025/1078, reg. 5(b) (with reg. 12)

F800 S. 97(1)(b)(iii) omitted (30.1.2024 for specified purposes, 19.1.2026 in so far as not already in force) by virtue of The Public Offers and Admissions to Trading Regulations 2024 (S.I. 2024/105), reg. 2(2)(3), **Sch. 3 para. 10(2)(b)(iv)** (with regs. 48-50); S.I. 2025/1078, reg. 5(b) (with reg. 12)

F801 S. 97(1)(ba) inserted (26.11.2015) by The Transparency Regulations 2015 (S.I. 2015/1755), regs. 1(3), **4(3)(a)(ii)**

F802 Words in s. 97(1)(ba) substituted (31.12.2020) by The Official Listing of Securities, Prospectus and Transparency (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/707), regs. 1(2), **31(c)** (with savings in S.I. 2019/680, reg. 11 (as amended by S.I. 2019/1234, regs. 1(3), 29(2))); 2020 c. 1, Sch. 5 para. 1(1)

F803 S. 97(1)(c) repealed (1.7.2005) by The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2005 (S.I. 2005/381), regs. 1(2), 4, **Sch. 1 para. 7(c)**

F804 S. 97(1)(d) omitted (21.7.2019) by virtue of The Financial Services and Markets Act 2000 (Prospectus) Regulations 2019 (S.I. 2019/1043), regs. 1(1), **27(4)** (with reg. 40)

F805 S. 97(3)(c) omitted (30.1.2024 for specified purposes, 19.1.2026 in so far as not already in force) by virtue of The Public Offers and Admissions to Trading Regulations 2024 (S.I. 2024/105), reg. 2(2)(3), **Sch. 3 para. 10(3)** (with regs. 48-50); S.I. 2025/1078, reg. 5(b) (with reg. 12)

F806 S. 97(4) inserted (26.11.2015) by The Transparency Regulations 2015 (S.I. 2015/1755), regs. 1(3), **4(3)(b)**

F807 97A. Reporting of infringements

. . . . . .

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Textual Amendments

F807 S. 97A omitted (30.1.2024 for specified purposes, 19.1.2026 in so far as not already in force) by virtue of The Public Offers and Admissions to Trading Regulations 2024 (S.I. 2024/105), reg. 2(2)(3), **Sch. 3 para. 11** (with regs. 48-50); S.I. 2025/1078, reg. 5(b) (with reg. 12)

F808 98 Advertisements etc. in connection with listing applications.

. . . . . .

Textual Amendments

F808 S. 98 repealed (1.7.2005) by The Prospectus Regulations 2005 (S.I. 2005/1433), reg. 2(1), **Sch. 1 para. 9**

F809 99 Fees.

. . . . . .

Textual Amendments

F809 S. 99 omitted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by virtue of Financial Services Act 2012 (c. 21), **ss. 16(14)(c)**, 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F810 100 Penalties.

. . . . . .

Textual Amendments

F810 S. 100 omitted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by virtue of Financial Services Act 2012 (c. 21), **ss. 16(14)(d)**, 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F811 100A Exercise of powers where UK is host member state

. . . . . .

Textual Amendments

F811 S. 100A omitted (31.12.2020) by virtue of The Official Listing of Securities, Prospectus and Transparency (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/707), regs. 1(2), **32** (with savings in S.I. 2019/680, reg. 11 (as amended by S.I. 2019/1234, regs. 1(3), 29(2))); 2020 c. 1, Sch. 5 para. 1(1)

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101 Listing rules: general provisions.

F812(1) . . . . . .

(2) **[**F813Part 6 rules**]** may authorise the **[**F814FCA**]** to dispense with or modify the application of the rules in particular cases and by reference to any circumstances.

F815(3) . . . . . .

F815(4) . . . . . .

F815(5) . . . . . .

F815(6) . . . . . .

F815(7) . . . . . .

F815(8) . . . . . .

Textual Amendments

F812 S. 101(1) omitted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by virtue of Financial Services Act 2012 (c. 21), **ss. 16(14)(e)**, 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F813 Words in s. 101(2) substituted (1.7.2005) by The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2005 (S.I. 2005/381), regs. 1(2), 4, **Sch. 1 para. 10(a)**

F814 Words in s. 101(2) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), **ss.**16(2)(3)(h), 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F815 S. 101(3)-(8) omitted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by virtue of Financial Services Act 2012 (c. 21), **ss. 16(14)(e)**, 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F816102 Exemption from liability in damages.

. . . . . .

Textual Amendments

F816 S. 102 omitted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by virtue of Financial Services Act 2012 (c. 21), **ss. 16(14)(f)**, 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

[F817Interpretative provisions

Textual Amendments

F817 Ss. 102A-103 substituted for s. 103 (1.7.2005) by The Prospectus Regulations 2005 (S.I. 2005/1433), reg. 2(1), **Sch. 1 para. 11**

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102A Meaning of "securities" etc.

(1) This section applies for the purposes of this Part.

(2) "Securities" means (except in section 74(2) and the expression "transferable securities") anything which has been, or may be, admitted to the official list.

(3) "Transferable securities" means anything which is a transferable security for the purposes of **[**F818the markets in financial instruments **[**F819regulation**]]**, other than money-market instruments for the purposes of that **[**F819regulation**]** which have a maturity of less than 12 months.

[F820(3A) "Debt securities" means bonds or other forms of transferable securitised debts, with the exception of—

(a) transferable securities which are equivalent to shares, and

(b) transferable securities which, if converted or if the rights conferred by them are exercised, give rise to a right to acquire—

(i) shares, or

(ii) transferable securities equivalent to shares.**]**

[F821(4) "Financial instrument" **[**F822means those instruments specified in Part 1 of Schedule 2 to the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001**].]**

[F823(5) "Non-equity transferable securities" means all transferable securities that are not equity securities; and for this purpose the following are "equity securities"—

(a) shares,

(b) other transferable securities which are equivalent to shares, and

(c) transferable securities which—

(i) are within neither of paragraphs (a) and (b),

(ii) give the right to acquire securities within paragraph (a) or (b) if converted or if the rights conferred by them are exercised, and

(iii) are issued by the issuer of the underlying shares or by an entity belonging to the group of that issuer.**]**

(6) "Issuer"—

F824(a) . . . . . .

[F825(aa) in relation to transparency rules, means a F826... person whose securities are admitted to trading on a regulated market or whose voting shares are admitted to trading on a UK market other than a regulated market, and in the case of depository receipts **[**F827admitted to trading on a regulated market, the issuer is the issuer of the securities represented by the depository receipt, whether or not those securities are admitted to trading on a regulated market**];]**

(b) in relation to anything else which is or may be admitted to the official list, has such meaning as may be prescribed by the Treasury, and

(c) in any other case, means a person who issues financial instruments.

Textual Amendments

F818 Words in s. 102A(3) substituted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services

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and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 2 para. 7(2)** (with reg. 7)

F819 Word in s. 102A(3) substituted (31.12.2020) by The Official Listing of Securities, Prospectus and Transparency (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/707), regs. 1(2), **33(2)** (with savings in S.I. 2019/680, reg. 11 (as amended by S.I. 2019/1234, regs. 1(3), 29(2))); 2020 c. 1, Sch. 5 para. 1(1)

F820 S. 102A(3A) substituted (31.12.2020) by The Official Listing of Securities, Prospectus and Transparency (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/707), regs. 1(2), **33(3)** (with savings in S.I. 2019/680, reg. 11 (as amended by S.I. 2019/1234, regs. 1(3), 29(2))); 2020 c. 1, Sch. 5 para. 1(1)

F821 S. 102A(4) substituted (3.7.2016) by The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **8(6)**

F822 Words in s. 102A(4) substituted (31.12.2020) by The Official Listing of Securities, Prospectus and Transparency (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/707), regs. 1(2), **33(4)** (with savings in S.I. 2019/680, reg. 11 (as amended by S.I. 2019/1234, regs. 1(3), 29(2))); 2020 c. 1, Sch. 5 para. 1(1)

F823 S. 102A(5) substituted (31.12.2020) by The Official Listing of Securities, Prospectus and Transparency (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/707), regs. 1(2), **33(5)** (with savings in S.I. 2019/680, reg. 11 (as amended by S.I. 2019/1234, regs. 1(3), 29(2))); 2020 c. 1, Sch. 5 para. 1(1)

F824 S. 102A(6)(a) omitted (30.1.2024 for specified purposes, 19.1.2026 in so far as not already in force) by virtue of The Public Offers and Admissions to Trading Regulations 2024 (S.I. 2024/105), reg. 2(2)(3), **Sch. 3 para. 12** (with regs. 48-50); S.I. 2025/1078, reg. 5(b) (with reg. 12)

F825 S. 102A(6)(aa) inserted (8.11.2006) by Companies Act 2006 (c. 46), ss. 1272, 1300(1)(a), **Sch. 15 para. 10(4)**

F826 Word in s. 102A(6)(aa) omitted (1.11.2015 for specified purposes, 26.11.2015 in so far as not already in force) by virtue of The Transparency Regulations 2015 (S.I. 2015/1755), regs. 1(2)(3), **5(1)(a)**

F827 Words in s. 102A(6)(aa) substituted (1.11.2015 for specified purposes, 26.11.2015 in so far as not already in force) by The Transparency Regulations 2015 (S.I. 2015/1755), regs. 1(2)(3), **5(1)(b)**

F828 102B Meaning of "offer of transferable securities to the public" etc.

. . . . . .

Textual Amendments

F828 S. 102B omitted (30.1.2024 for specified purposes, 19.1.2026 in so far as not already in force) by virtue of The Public Offers and Admissions to Trading Regulations 2024 (S.I. 2024/105), reg. 2(2)(3), **Sch. 3 para. 13** (with regs. 48-50); S.I. 2025/1078, reg. 5(b) (with reg. 12)

F829 102C Meaning of "home State" in relation to transferable securities

. . . . . .

Textual Amendments

F829 S. 102C omitted (31.12.2020) by virtue of The Official Listing of Securities, Prospectus and Transparency (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/707), regs. 1(2), **35** (with savings in S.I. 2019/680, reg. 11 (as amended by S.I. 2019/1234, regs. 1(3), 29(2))); 2020 c. 1, Sch. 5 para. 1(1)

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[X1] 103 Interpretation of this Part

(1) In this Part, save where the context otherwise requires—

[F830]...

[F830]...

"listed securities" means anything which has been admitted to the official list;

"listing" has the meaning given in section 74(5);

"listing particulars" has the meaning given in section 79(2);

"listing rules" has the meaning given in section 73A;

"market operator" means a person who manages or operates the business of a regulated market;

[F831]...

"the official list" means the list maintained by the **[**[F832]FCA**]** as that list has effect for the time being;

"Part 6 rules" has the meaning given in section 73A;

[F833]...

[F831]...

[F831]...

[[F834]"qualifying transparency legislation" has the meaning given in section 89K(5A);**]**

[[F835]"regulated market" (except in section 102B and Schedule 10A) means a UK regulated market, as defined in Article 2(1)(13A) of the markets in financial instruments regulation;**]**

[F831]...

[[F836]"the transparency obligations directive" means Directive 2004/109/ EC of the European Parliament and of the Council relating to the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market **[**[F837] as amended by Directive 2010/73/EU of the European Parliament and of the Council of 24 November 2010 and by Directive 2010/78/EU of the European Parliament and of the Council of 24 November 2010**][**[F838]and by Directive 2013/50/EU of the European Parliament and of the Council of 22 October 2013**];]**

[[F839]"transparency rules" has the meaning given by section 89A(5);

"voteholder information" has the meaning given by section 89B(3);**]**

[[F840] "working day" means any day other that a Saturday, a Sunday, Christmas Day, Good Friday or a day which is a bank holiday under the Banking and Financial Dealings Act 1971 (c. 80) in any part of the United Kingdom.**]**

[F841](1A) . . . . . .

[F842](2) . . . . . .

[F842](3) . . . . . .**]**

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Editorial Information

X1 The insertion of the new heading "Interpretative provisions" in Pt. VI on 1.7.2005 gives rise to a change in the structure of this legislation on SLD which breaks the continuity of historical versions of the existing provisions which are now brought under that new heading.

Textual Amendments

F830 Words in s. 103(1) omitted (3.7.2016) by virtue of The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **8(9)**

F831 Words in s. 103(1) omitted (30.1.2024 for specified purposes, 19.1.2026 in so far as not already in force) by virtue of The Public Offers and Admissions to Trading Regulations 2024 (S.I. 2024/105), reg. 2(2)(3), **Sch. 3 para. 14** (with regs. 48-50); S.I. 2025/1078, reg. 5(b) (with reg. 12)

F832 Words in s. 103(1) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), **ss.**16(2)(3)(i), 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F833 Words in s. 103(1) omitted (21.7.2019) by virtue of The Financial Services and Markets Act 2000 (Prospectus) Regulations 2019 (S.I. 2019/1043), regs. 1(1), **32(a)** (with reg. 40)

F834 Words in s. 103(1) inserted (31.12.2020) by The Official Listing of Securities, Prospectus and Transparency (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/707), regs. 1(2), **36(a)** (as amended by virtue of S.I. 2019/1234, regs. 1(2), **19**) (with savings in S.I. 2019/680, **reg. 11** (as amended by S.I. 2019/1234, regs. 1(3), **29(2)**)); 2020 c. 1, **Sch. 5 para. 1(1)**

F835 Words in s. 103(1) substituted (31.12.2020) by The Official Listing of Securities, Prospectus and Transparency (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/707), regs. 1(2), **36(b)** (with savings in S.I. 2019/680, reg. 11 (as amended by S.I. 2019/1234, regs. 1(3), 29(2))); 2020 c. 1, Sch. 5 para. 1(1)

F836 S. 103(1): entry inserted (8.11.2006) by Companies Act 2006 (c. 46), **ss. 1265**, 1300(1)(a)

F837 Words in s. 103 inserted (1.7.2012) by The Prospectus Regulations 2012 (S.I. 2012/1538), regs. 1(1), **9(b)**

F838 Words in s. 103(1) inserted (1.11.2015 for specified purposes, 26.11.2015 in so far as not already in force) by The Transparency Regulations 2015 (S.I. 2015/1755), regs. 1(2)(3), **5(3)(a)(ii)**

F839 S. 103(1): entries inserted (8.11.2006) by Companies Act 2006 (c. 46), ss. 1272, 1300(1)(a), **Sch. 15 para. 11(3)**

F840 Words in s. 103(1) omitted (30.1.2024 for specified purposes) by virtue of The Public Offers and Admissions to Trading Regulations 2024 (S.I. 2024/105), reg. 2(2)(3), **Sch. 3 para. 14** (with regs. 48-50)

F841 S. 103(1A) omitted (1.11.2015 for specified purposes, 26.11.2015 in so far as not already in force) by virtue of The Transparency Regulations 2015 (S.I. 2015/1755), regs. 1(2)(3), **5(3)(b)**

F842 S. 103(2)(3) omitted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by virtue of Financial Services Act 2012 (c. 21), **ss. 16(14)(g)**, 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

Modifications etc. (not altering text)

C315 S. 103(1) modified (6.6.2014) by The Financial Services and Markets Act 2000 (Transparency) Regulations 2014 (S.I. 2014/1261), regs. 1(1), **2**

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PART VII

CONTROL OF BUSINESS TRANSFERS

Modifications etc. (not altering text)

C316 Pt. 7: power to amend conferred (1.9.2023) by Financial Services Act 2021 (c. 22), **ss. 22(8)(a)**, 49(5); S.I. 2023/934, **reg. 2(c)**

[F843 103A Meaning of "the appropriate regulator"

(1) In this Part "the appropriate regulator" means—

(a) in relation to **[**F844a ring-fencing transfer scheme or a scheme (other than a ring-fencing transfer scheme)**]** in respect of which **[**F845the transferor concerned**]** is a PRA-authorised person, the PRA;

(b) in any other case, the FCA.

(2) In this Part, "**[**F845the transferor concerned**]**"—

(a) in the case of an insurance business transfer scheme, is to be read in accordance with section 105(2);

(b) in the case of a banking business transfer scheme, is to be read in accordance with section 106(2);

(c) in the case of a reclaim fund business transfer scheme, means the reclaim fund to whose business the scheme relates.

[F846(d) in the case of a ring-fencing transfer scheme, means the body to whose business the scheme relates.**]]**

Textual Amendments

F843 S. 103A inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 6 para. 2** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F844 Words in s. 103A(1)(a) substituted (1.3.2014) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 1 para. 3(2)**; S.I. 2014/377, art. 2(1)(a), Sch. Pt. 1

F845 Words in Pt. VII substituted (1.3.2014) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 1 para. 2**; S.I. 2014/377, art. 2(1)(a), Sch. Pt. 1

F846 S. 103A(2)(d) inserted (1.3.2014) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 1 para. 3(3)**; S.I. 2014/377, art. 2(1)(a), Sch. Pt. 1

104 Control of business transfers.

No insurance business transfer scheme F847... is to have effect unless an order has been made in relation to it under section 111(1).

Textual Amendments

F847 Words in s. 104 omitted (1.4.2013) by virtue of Financial Services Act 2012 (c. 21), **ss. 22(1)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

Modifications etc. (not altering text)

C317 S. 104 applied (1.12.2001) by S.I. 2001/3626, **arts. 1**, 3(a)

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S. 104 modified (1.12.2001) by S.I. 2001/3639, **arts. 1(1)**, 7 (with art. 2)

Commencement Information

I21 S. 104 partly in force; s. 104 not in force at Royal Assent see s. 431(2); s. 104 in force for specified purposes at 1.12.2001 by S.I. 2001/3538, **art. 2(1)(2)**

105 Insurance business transfer schemes.

(1) A scheme is an insurance business transfer scheme if it—

(a) satisfies **[**F848the condition**]** set out in subsection (2);

(b) results in the business transferred being carried on from an establishment of the transferee in **[**F849the United Kingdom or Gibraltar**]**; and

(c) is not an excluded scheme.

[F850(2) The condition is that the whole or part of the business carried on in the United Kingdom by an authorised person who has permission to effect or carry out contracts of insurance ("the transferor concerned") is to be transferred to another body ("the transferee").**]**

(3) A scheme is an excluded scheme for the purposes of this section if it falls within any of the following cases:

(Case 1) Where **[**F845the transferor concerned**]** is a friendly society.

F851(Case 2) . . . . . .

(Case 3) Where—

(a) **[**F845the transferor concerned**]** is a UK authorised person;

(b) the business to be transferred under the scheme is carried on in one or more countries or territories **[**F852outside the United Kingdom**]** and does not include policies of insurance F853. . . against risks arising in **[**F854the United Kingdom**]**; and

(c) the scheme has been approved by a court in a country or territory **[**F855outside the United Kingdom**]** or by the authority responsible for the supervision of that business in a country or territory in which it is carried on.

(Case 4) Where **[**F856—

(a) the business to be transferred under the scheme is the whole of the business of **[**F845the transferor concerned**]**;**]**

(b) all the policyholders are controllers of the firm or of firms within the same group as the firm which is the transferee, and,

[F857(c)**]** all of the policyholders who will be affected by the transfer have consented to it.

[F858(CASE 5) Where—

(a) the business of **[**F845the transferor concerned**]** consists solely of the effecting or carrying out of contracts of reinsurance;

(b) the business to be transferred is the whole or part of that business;

(c) the scheme does not fall within Case 4;

(d) all of the policyholders who will be affected by the transfer have consented to it; and

(e) a certificate has been obtained under paragraph 2 of Schedule 12 in relation to the proposed transfer.**]**

(4) The parties to a scheme which falls within Case F859... **[**F860**]**3, 4 or 5**]** may apply to the court for an order sanctioning the scheme as if it were an insurance business transfer scheme.

[F861**]**(5) If the scheme involves a compromise or arrangement falling within Part 27 of the Companies Act 2006 (mergers and divisions of public companies), the provisions of that Part (and **[**F862**]**Part 26 or 26A of that Act, as the case may be**]**) apply accordingly but this does not affect the operation of this Part in relation to the scheme.**]**

(8) "UK authorised person" means a body which is an authorised person and which—

(a) is incorporated in the United Kingdom; or

(b) is an unincorporated association formed under the law of any part of the United Kingdom.

(9) "Establishment" means, in relation to a person, his head office or a branch of his.

Textual Amendments

F845 Words in Pt. VII substituted (1.3.2014) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 1 para. 2**; S.I. 2014/377, art. 2(1)(a), Sch. Pt. 1

F848 Words in s. 105(1)(a) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **32(2)(a)** (with transitional provisions in S.I. 2019/710, regs. 1(4), 36, Sch. para. 3); 2020 c. 1, Sch. 5 para. 1(1)

F849 Words in s. 105(1)(b) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **32(2)(b)** (as amended by S.I. 2019/680, regs. 1(3), **9(2)**) (with transitional provisions in S.I. 2019/710, regs. 1(4), 36, **Sch. para. 3**); 2020 c. 1, **Sch. 5 para. 1(1)**

F850 S. 105(2) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **32(3)** (with transitional provisions in S.I. 2019/710, regs. 1(4), 36, Sch. para. 3); 2020 c. 1, Sch. 5 para. 1(1)

F851 Words in s. 105(3) omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **32(4)(a)** (with transitional provisions in S.I. 2019/710, regs. 1(4), 36, Sch. para. 3); 2020 c. 1, Sch. 5 para. 1(1)

F852 Words in s. 105(3) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **32(4)(b)(i)** (with transitional provisions in S.I. 2019/710, regs. 1(4), 36, Sch. para. 3); 2020 c. 1, Sch. 5 para. 1(1)

F853 Words in s. 105(3) Case 3(b) omitted (10.12.2007) by virtue of The Reinsurance Directive Regulations 2007 (S.I. 2007/3253), reg. 2(1), **Sch. 1 para. 2(1)(c)**

F854 Words in s. 105(3) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **32(4)(b)(ii)** (with transitional provisions in S.I. 2019/710, regs. 1(4), 36, Sch. para. 3); 2020 c. 1, Sch. 5 para. 1(1)

F855 Words in s. 105(3) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **32(4)(b)(iii)** (with transitional provisions in S.I. 2019/710, regs. 1(4), 36, Sch. para. 3); 2020 c. 1, Sch. 5 para. 1(1)

F856 Words in s. 105(3) Case 4 substituted (10.12.2007) by The Reinsurance Directive Regulations 2007 (S.I. 2007/3253), reg. 2(1), **Sch. 1 para. 2(1)(d)(i)**

F857 Words in s. 105(3) Case 4 substituted (10.12.2007) by The Reinsurance Directive Regulations 2007 (S.I. 2007/3253), reg. 2(1), **Sch. 1 para. 2(1)(d)(ii)**

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F858 S. 105(3) Case 5 inserted (10.12.2007) by The Reinsurance Directive Regulations 2007 (S.I. 2007/3253), reg. 2(1), **Sch. 1 para. 2(1)(e)**

F859 Word in s. 105(4) omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **32(5)** (with transitional provisions in S.I. 2019/710, regs. 1(4), 36, Sch. para. 3); 2020 c. 1, Sch. 5 para. 1(1)

F860 Words in s. 105(4) substituted (10.12.2007) by The Reinsurance Directive Regulations 2007 (S.I. 2007/3253), reg. 2(1), **Sch. 1 para. 2(1)(f)**

F861 S. 105(5) substituted (6.4.2008) for s. 105(5)-(7) by The Companies Act 2006 (Consequential Amendments etc) Order 2008 (S.I. 2008/948), arts. 2(2), 3(1), **Sch. 1 para. 211(1)** (with arts. 6, 11, 12)

F862 Words in s. 105(5) substituted (26.6.2020) by Corporate Insolvency and Governance Act 2020 (c. 12), s. 49(1), **Sch. 9 para. 18** (with ss. 2(2), 5(2))

Modifications etc. (not altering text)

C318 S. 105 modified (31.12.2020) by The Financial Services (Miscellaneous) (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/710), reg. 1(3), Sch. para. 4, 5, **6(2)**; 2020 c. 1, Sch. 5 para. 1(1)

106 Banking business transfer schemes.

(1) A scheme is a banking business transfer scheme if it—

(a) satisfies one of the conditions set out in subsection (2);

(b) is one under which the whole or part of the business to be transferred includes the accepting of deposits; and

(c) is not an excluded scheme **[**F863or a ring-fencing transfer scheme**]**.

(2) The conditions are that—

(a) the whole or part of the business carried on by a UK authorised person who has permission to accept deposits ("**[**F845the transferor concerned**]**") is to be transferred to another body ("the transferee");

(b) the whole or part of the business carried on in the United Kingdom by an authorised person who is not a UK authorised person but who has permission to accept deposits ("**[**F845the transferor concerned**]**") is to be transferred to another body which will carry it on in the United Kingdom ("the transferee").

(3) A scheme is an excluded scheme for the purposes of this section if—

(a) **[**F845the transferor concerned**]** is a building society or a credit union; or

[F864(b) the scheme is a compromise or arrangement to which Part 27 of the Companies Act 2006 (mergers and divisions of public companies) applies.**]**

(4) For the purposes of subsection (2)(a) it is immaterial whether or not the business to be transferred is carried on in the United Kingdom.

(5) "UK authorised person" has the same meaning as in section 105.

(6) "Building society" has the meaning given in the M1Building Societies Act 1986.

(7) "Credit union" means a credit union within the meaning of—

(a) the M2Credit Unions Act 1979;

(b) the M3Credit Unions (Northern Ireland) Order 1985.

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Textual Amendments

F845 Words in Pt. VII substituted (1.3.2014) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 1 para. 2**; S.I. 2014/377, art. 2(1)(a), Sch. Pt. 1

F863 Words in s. 106(1)(c) inserted (1.3.2014) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 1 para. 4**; S.I. 2014/377, art. 2(1)(a), Sch. Pt. 1

F864 S. 106(3)(b) substituted (6.4.2008) by The Companies Act 2006 (Consequential Amendments etc) Order 2008 (S.I. 2008/948), arts. 2(1), 3(1), **Sch. 1 para. 211(2)** (with arts. 6, 11, 12)

Marginal Citations

M1 1986 c. 53.

M2 1979 c. 34.

M3 S.I. 1985/1205 (N.I. 12).

[F865 106A Reclaim fund business transfer scheme

(1) A scheme is a reclaim fund business transfer scheme if, under the scheme, the whole or part of the business carried on by a reclaim fund is to be transferred to one or more other reclaim funds.

(2) "Reclaim fund" has the meaning given by section 5(1) of the Dormant Bank and Building Society Accounts Act 2008.**]**

Textual Amendments

F865 S. 106A inserted (12.3.2009) by Dormant Bank and Building Society Accounts Act 2008 (c. 31), ss. 15, 31(1)(2), **Sch. 2 para. 2**; S.I. 2009/490, **art. 2** (with art. 3)

[F866 106B Ring-fencing transfer scheme

(1) A scheme is a ring-fencing transfer scheme if it—

(a) is one under which the whole or part of the business carried on—

(i) by a UK authorised person, or

(ii) by a qualifying body,

is to be transferred to another body ("the transferee"),

(b) is to be made for one or more of the purposes mentioned in subsection (3), and

(c) is not an excluded scheme or an insurance business transfer scheme.

(2) "Qualifying body" means a body which—

(a) is incorporated in the United Kingdom,

(b) is a member of the group of a UK authorised person, and

(c) is not itself an authorised person.

(3) The purposes are—

(a) enabling a UK authorised person to carry on core activities as a ring-fenced body in compliance with the ring-fencing provisions;

(b) enabling the transferee to carry on core activities as a ring-fenced body in compliance with the ring-fencing provisions;

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(c) making provision in connection with the implementation of proposals that would involve a body corporate whose group includes the body corporate to whose business the scheme relates becoming a ring-fenced body while one or more other members of its group are not ring-fenced bodies;

(d) making provision in connection with the implementation of proposals that would involve a body corporate whose group includes the transferee becoming a ring-fenced body while one or more other members of the transferee's group are not ring-fenced bodies.

(4) A scheme is an excluded scheme for the purposes of this section if—

(a) the body to whose business the scheme relates is a building society or credit union, or

(b) the scheme is a compromise or arrangement to which Part 27 of the Companies Act 2006 (mergers and divisions of public companies) applies.

(5) For the purposes of subsection (1)(a) it is immaterial whether or not the business to be transferred is carried on in the United Kingdom.

(6) "UK authorised person" has the same meaning as in section 105.

(7) "Building society" and "credit union" have the same meanings as in section 106.

(8) "The ring-fencing provisions" means ring-fencing rules and the duty imposed as a result of section 142G.**]**

Textual Amendments

F866 S. 106B inserted (1.3.2014) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 1 para. 5**; S.I. 2014/377, art. 2(1)(a), Sch. Pt. 1

107 Application for order sanctioning transfer scheme.

(1) An application may be made to the court for an order sanctioning an insurance business transfer scheme **[**F867, a banking business transfer scheme **[**F868, a reclaim fund business transfer scheme or a ring-fencing transfer scheme**]]** .

(2) An application may be made by—

(a) **[**F845the transferor concerned**]**;

(b) the transferee; or

(c) both.

[F869(2A) An application relating to a ring-fencing transfer scheme may be made only with the consent of the PRA.

(2B) In deciding whether to give consent, the PRA must have regard to the scheme report prepared under section 109A in relation to the ring-fencing transfer scheme.**]**

(3) The application must be made—

(a) if **[**F845the transferor concerned**]** and the transferee are registered or have their head offices in the same jurisdiction, to the court in that jurisdiction;

(b) if **[**F845the transferor concerned**]** and the transferee are registered or have their head offices in different jurisdictions, to the court in either jurisdiction;

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(c) if the transferee is not registered in the United Kingdom and does not have his head office there, to the court which has jurisdiction in relation to **[**[F845]the transferor concerned**]**.

(4) "Court" means—

(a) the High Court; or

(b) in Scotland, the Court of Session.

Textual Amendments

F845 Words in Pt. VII substituted (1.3.2014) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 1 para. 2**; S.I. 2014/377, art. 2(1)(a), Sch. Pt. 1

F867 Words in s. 107(1) substituted (12.3.2009) by Dormant Bank and Building Society Accounts Act 2008 (c. 31), ss. 15, 31(1)(2), **Sch. 2 para. 3**; S.I. 2009/490, **art. 2** (with art. 3)

F868 Words in s. 107(1) substituted (1.3.2014) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 1 para. 6(2)**; S.I. 2014/377, art. 2(1)(a), Sch. Pt. 1

F869 S. 107(2A)(2B) inserted (1.3.2014) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 1 para. 6(3)**; S.I. 2014/377, art. 2(1)(a), Sch. Pt. 1

Modifications etc. (not altering text)

C319 S. 107 applied (1.12.2001) by S.I. 2001/3626, **arts. 1**, 3(a)

108 Requirements on applicants.

(1) The Treasury may by regulations impose requirements on applicants under section 107.

(2) The court may not determine an application under that section if the applicant has failed to comply with a prescribed requirement.

(3) The regulations may, in particular, include provision—

(a) as to the persons to whom, and periods within which, notice of an application must be given;

(b) enabling the court to waive a requirement of the regulations in prescribed circumstances.

Modifications etc. (not altering text)

C320 S. 108 applied (1.12.2001) by S.I. 2001/3626, **arts. 1**, 3(a)(b)

Commencement Information

I22 S. 108 wholly in force at 1.12.2001; s. 108 not in force at Royal Assent see s. 431(2); s. 108 in force for certain purposes at 25.2.2001 by S.I. 2001/516, **art. 2 Sch. Pt. 2**; s. 108 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**

109 [F870Scheme reports: insurance business transfer schemes]

(1) An application under section 107 in respect of an insurance business transfer scheme must be accompanied by a report on the terms of the scheme ("a scheme report").

(2) A scheme report may be made only by a person—

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(a) appearing to the **[**[F871]appropriate regulator**]** to have the skills necessary to enable him to make a proper report; and

(b) nominated or approved for the purpose by the **[**[F871]appropriate regulator**]**.

(3) A scheme report must be made in a form approved by the **[**[F871]appropriate regulator**]**.

[[F872](4) Where the appropriate regulator is the PRA, it must consult the FCA before—

(a) nominating or approving a person under subsection (2)(b), or

(b) approving a form under subsection (3).

(5) Subsection (6) applies where the appropriate regulator is the FCA and either—

(a) the transferee is a PRA-authorised person, or

(b) **[**[F845]the transferor concerned**]** or the transferee has as a member of its immediate group a PRA-authorised person.

(6) The FCA must consult the PRA before—

(a) nominating or approving a person under subsection (2)(b), or

(b) approving a form under subsection (3).**]**

Textual Amendments

F845 Words in Pt. VII substituted (1.3.2014) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 1 para. 2**; S.I. 2014/377, art. 2(1)(a), Sch. Pt. 1

F870 S. 109 heading substituted (1.3.2014) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 1 para. 7**; S.I. 2014/377, art. 2(1)(a), Sch. Pt. 1

F871 Words in s. 109 substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 6 para. 3(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F872 S. 109(4)-(6) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 6 para. 3(3)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

Modifications etc. (not altering text)

C321 S. 109 applied (1.12.2001) by S.I. 2001/3626, **arts. 1**, 3(a)

[[F873]109A Scheme reports: ring-fencing transfer schemes

(1) An application under section 106B in respect of a ring-fencing transfer scheme must be accompanied by a report on the terms of the scheme (a "scheme report").

(2) A scheme report may be made only by a person—

(a) appearing to the PRA to have the skills necessary to enable the person to make a proper report, and

(b) nominated or approved for the purpose by the PRA.

(3) A scheme report must be made in a form approved by the PRA.

(4) A scheme report must state—

(a) whether persons other than the transferor concerned are likely to be adversely affected by the scheme, and

(b) if so, whether the adverse effect is likely to be greater than is reasonably necessary in order to achieve whichever of the purposes mentioned in section 106B(3) is relevant.

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(5) The PRA must consult the FCA before—

(a) nominating or approving a person under subsection (2)(b), or

(b) approving a form under subsection (3).**]**

Textual Amendments

F873 S. 109A inserted (1.3.2014) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 1 para. 8**; S.I. 2014/377, art. 2(1)(a), Sch. Pt. 1

110 Right to participate in proceedings.

[F874(1)**]** On an application under section 107 **[**F875relating to an insurance business transfer scheme, a banking business transfer scheme or a reclaim fund business transfer scheme**]**, the following are also entitled to be heard—

[F876(a) the FCA,

(aa) in the case of a scheme falling within subsection (2), the PRA, and**]**

(b) any person (including an employee of **[**F845the transferor concerned**]** or of the transferee) who alleges that he would be adversely affected by the carrying out of the scheme.

[F877(2) A scheme falls within this subsection if—

(a) **[**F845the transferor concerned**]** or the transferee is a PRA-authorised person, or

(b) **[**F845the transferor concerned**]** or the transferee has as a member of its immediate group a PRA-authorised person.**]**

[F878(3) Subsections (4) and (5) apply where an application under section 107 relates to a ring-fencing transfer scheme.

(4) The following are also entitled to be heard—

(a) the PRA,

(b) where the transferee is an authorised person, the FCA, and

(c) any person ("P") (including an employee of the transferor concerned or of the transferee) who alleges that P would be adversely affected by the carrying out of the scheme.

(5) P is not entitled to be heard by virtue of subsection (4)(c) unless before the hearing P has—

(a) filed (in Scotland, lodged) with the court a written statement of the representations that P wishes the court to consider, and

(b) served copies of the statement on the PRA and the transferor concerned.**]**

Textual Amendments

F845 Words in Pt. VII substituted (1.3.2014) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 1 para. 2**; S.I. 2014/377, art. 2(1)(a), Sch. Pt. 1

F874 S. 110 renumbered as s. 110(1) (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 6 para. 4(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F875 Words in s. 110(1) inserted (1.3.2014) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 1 para. 9(2)**; S.I. 2014/377, art. 2(1)(a), Sch. Pt. 1

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F876 S. 110(1)(a)(aa) substituted for s. 110(1)(a) (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 6 para. 4(3)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.
F877 S. 110(2) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 6 para. 4(4)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.
F878 S. 110(3)-(5) inserted (1.3.2014) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 1 para. 9(3)**; S.I. 2014/377, art. 2(1)(a), Sch. Pt. 1

Modifications etc. (not altering text)
C322 S. 110 applied (1.12.2001) by S.I. 2001/3626, **arts. 1**, 3(a)

111 Sanction of the court for business transfer schemes.

(1) This section sets out the conditions which must be satisfied before the court may make an order under this section sanctioning an insurance business transfer scheme **[**F879a banking business transfer scheme **[**F880, a reclaim fund business transfer scheme or a ring-fencing transfer scheme**]]** .

(2) The court must be satisfied that—

(a) **[**F881in the case of an insurance business transfer scheme or a banking business transfer scheme,**]** the appropriate **[**F882certificate has**]** been obtained (as to which see Parts I and II of Schedule 12);

[F883(aa) in the case of a reclaim fund business transfer scheme, the appropriate certificate has been obtained (as to which see Part 2A of that Schedule);**]**

[F884(ab) in the case of a ring-fencing transfer scheme, the appropriate certificates have been obtained (as to which see Part 2B of that Schedule);**]**

(b) the transferee has the authorisation required (if any) to enable the business, or part, which is to be transferred to be carried on in the place to which it is to be transferred (or will have it before the scheme takes effect).

(3) The court must consider that, in all the circumstances of the case, it is appropriate to sanction the scheme.

Textual Amendments
F879 Words in s. 111(1) substituted (12.3.2009) by Dormant Bank and Building Society Accounts Act 2008 (c. 31), ss. 15, 31(1)(2), **Sch. 2 para. 4(2)**; S.I. 2009/490, **art. 2** (with art. 3)
F880 Words in s. 111(1) substituted (1.3.2014) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 1 para. 10(2)**; S.I. 2014/377, art. 2(1)(a), Sch. Pt. 1
F881 Words in s. 111(2)(a) inserted (12.3.2009) by Dormant Bank and Building Society Accounts Act 2008 (c. 31), ss. 15, 31(1)(2), **Sch. 2 para. 4(3)(a)**; S.I. 2009/490, **art. 2** (with art. 3)
F882 Words in s. 111(2)(a) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **33(1)** (with transitional provisions in S.I. 2019/710, regs. 1(4), 36, Sch. para. 3); 2020 c. 1, Sch. 5 para. 1(1)
F883 S. 111(2)(aa) inserted (12.3.2009) by Dormant Bank and Building Society Accounts Act 2008 (c. 31), ss. 15, 31(1)(2), **Sch. 2 para. 4(3)(b)**; S.I. 2009/490, **art. 2** (with art. 3)
F884 S. 111(2)(ab) inserted (1.3.2014) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 1 para. 10(3)**; S.I. 2014/377, art. 2(1)(a), Sch. Pt. 1

Modifications etc. (not altering text)
C323 S. 111 applied (1.12.2001) by S.I. 2001/3626, **arts. 1**, 3(a)

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Commencement Information

I23 S. 111 wholly in force at 1.12.2001; s. 111 not in force at Royal Assent see s. 431(2); s. 111(2) in force for specified purposes at 25.2.2001 by S.I. 2001/516, art. 2(c), **Sch. Pt. 3**; s. 111 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**

112 Effect of order sanctioning business transfer scheme.

(1) If the court makes an order under section 111(1), it may by that or any subsequent order make such provision (if any) as it thinks fit—

(a) for the transfer to the transferee of the whole or any part of the undertaking concerned and of any property or liabilities of **[**F845the transferor concerned**]**;

(b) for the allotment or appropriation by the transferee of any shares, debentures, policies or other similar interests in the transferee which under the scheme are to be allotted or appropriated to or for any other person;

(c) for the continuation by (or against) the transferee of any pending legal proceedings by (or against) **[**F845the transferor concerned**]**;

(d) with respect to such incidental, consequential and supplementary matters as are, in its opinion, necessary to secure that the scheme is fully and effectively carried out.

(2) An order under subsection (1)(a) may—

(a) transfer property or liabilities whether or not **[**F845the transferor concerned**]** otherwise has the capacity to effect the transfer in question;

(b) make provision in relation to property which was held by **[**F845the transferor concerned**]** as trustee;

(c) make provision as to future or contingent rights or liabilities of **[**F845the transferor concerned**]**, including provision as to the construction of instruments (including wills) under which such rights or liabilities may arise;

(d) make provision as to the consequences of the transfer in relation to any **[**F885occupational pension scheme (within the meaning of section 150(5) of the Finance Act 2004)**]** operated by or on behalf of **[**F845the transferor concerned**]**.

[F886(2A) Subsection (2)(a) is to be taken to include power to make provision in an order—

(a) for the transfer of property or liabilities which would not otherwise be capable of being transferred or assigned;

(b) for a transfer of property or liabilities to take effect as if there were—

(i) no such requirement to obtain a person's consent or concurrence, and

(ii) no such contravention, liability or interference with any interest or right,

as there would otherwise be (in the case of a transfer apart from this section) by reason of any provision falling within subsection (2B).

(2B) A provision falls within this subsection to the extent that it has effect (whether under an enactment or agreement or otherwise) in relation to the terms on which **[**F845the transferor concerned**]** is entitled to the property or subject to the liabilities in question.

(2C) Nothing in subsection (2A) or (2B) is to be read as limiting the scope of subsection (1).**]**

(3) If an order under subsection (1) makes provision for the transfer of property or liabilities—

(a) the property is transferred to and vests in, and

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(b) the liabilities are transferred to and become liabilities of,

the transferee as a result of the order.

(4) But if any property or liability included in the order is governed by the law of any country or territory outside the United Kingdom, the order may require **[**F845the transferor concerned**]**, if the transferee so requires, to take all necessary steps for securing that the transfer to the transferee of the property or liability is fully effective under the law of that country or territory.

(5) Property transferred as the result of an order under subsection (1) may, if the court so directs, vest in the transferee free from any charge which is (as a result of the scheme) to cease to have effect.

(6) An order under subsection (1) which makes provision for the transfer of property is to be treated as an instrument of transfer for the purposes of **[**F887section 770(1) of the Companies Act 2006**]** and any other enactment requiring the delivery of an instrument of transfer for the registration of property.

(7) F888. . . . . .

(8) If the court makes an order under section 111(1) in relation to an insurance business transfer scheme, it may by that or any subsequent order make such provision (if any) as it thinks fit—

(a) for dealing with the interests of any person who, within such time and in such manner as the court may direct, objects to the scheme;

(b) for the dissolution, without winding up, of **[**F845the transferor concerned**]**;

(c) for the reduction, on such terms and subject to such conditions (if any) as it thinks fit, of the benefits payable under—

(i) any description of policy, or

(ii) policies generally,

entered into by **[**F845the transferor concerned**]** and transferred as a result of the scheme.

F889(9) . . . . . .

(10) The transferee must, if an insurance or banking business transfer scheme **[**F890or ring-fencing transfer scheme**]** is sanctioned by the court, deposit two office copies of the order made under subsection (1) with the **[**F891appropriate regulator**]** within 10 days of the making of the order.

(11) But the **[**F892appropriate regulator**]** may extend that period.

(12) "Property" includes property, rights and powers of any description.

(13) "Liabilities" includes duties.

(14) "Shares" and "debentures" have the same meaning as in **[**F893 the Companies Acts (see sections 540 and 738 of the Companies Act 2006).**]**

(15) "Charge" includes a mortgage (or, in Scotland, a security over property).

Textual Amendments

F845 Words in Pt. VII substituted (1.3.2014) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 1 para. 2**; S.I. 2014/377, art. 2(1)(a), Sch. Pt. 1

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F885 Words in s. 112(2)(d) substituted (6.4.2006) by The Taxation of Pension Schemes (Consequential Amendments) Order 2006 (S.I. 2006/745), **art. 17**

F886 S. 112(2A)-(2C) inserted (30.6.2008) by The Financial Services and Markets Act 2000 (Amendments to Part 7) Regulations 2008 (S.I. 2008/1468), **reg. 2(1)**

F887 Words in s. 112(6) substituted (6.4.2008) by The Companies Act 2006 (Consequential Amendments etc) Order 2008 (S.I. 2008/948), arts. 1(2), 3(1), **Sch. 1 para. 211(3)(a)** (with arts. 6, 11, 12)

F888 S. 112(7) repealed (6.4.2008) by The Companies Act 2006 (Consequential Amendments etc) Order 2008 (S.I. 2008/948), arts. 1(2), 3, **Sch. 1 para. 211(3)(b)**, **Sch. 2** (with arts. 6, 11, 12)

F889 S. 112(9) omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **33(2)** (with transitional provisions in S.I. 2019/710, regs. 1(4), 36, Sch. para. 3); 2020 c. 1, Sch. 5 para. 1(1)

F890 Words in s. 112(10) inserted (1.3.2014) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 1 para. 11**; S.I. 2014/377, art. 2(1)(a), Sch. Pt. 1

F891 Words in s. 112(10) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 6 para. 5** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F892 Words in s. 112(11) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 6 para. 5** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F893 S. 112(14): words substituted (6.4.2008) for paras. (a)(b) by The Companies Act 2006 (Consequential Amendments etc) Order 2008 (S.I. 2008/948), arts. 1(2), 3(1), **Sch. 1 para. 211(3)(c)** (with arts. 6, 11, 12)

Modifications etc. (not altering text)

C324 S. 112 applied (1.12.2001) by S.I. 2001/3626, **arts. 1**, 3(a)

C325 S. 112 modified (31.12.2020) by The Financial Services (Miscellaneous) (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/710), reg. 1(3), Sch. para. 4, 5, **6(3)**; 2020 c. 1, Sch. 5 para. 1(1)

C326 S. 112(1) modified (1.12.2001) by S.I. 2001/3639, **arts. 1(1)**, 4 (with art. 2)

[F894 112ZA Duty of regulator to provide copy of order

(1) Where the PRA receives under section 112(10) a copy of an order it must, without delay, give a copy of it to the FCA.

(2) Where the FCA receives under section 112(10) a copy of an order it must, without delay, give a copy of it to the PRA if the order relates to a scheme in respect of which—

(a) the transferee is a PRA-authorised person, or

(b) **[**F845 the transferor concerned**]** or the transferee has as a member of its immediate group a PRA-authorised person.**]**

Textual Amendments

F845 Words in Pt. VII substituted (1.3.2014) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 1 para. 2**; S.I. 2014/377, art. 2(1)(a), Sch. Pt. 1

F894 S. 112ZA inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 6 para. 6** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

[F895 112A Rights to terminate etc.

(1) Subsection (2) applies where (apart from that subsection) a person would be entitled, in consequence of anything done or likely to be done by or under this Part in connection with an insurance business transfer scheme **[**F896, a banking business transfer scheme or a ring-fencing transfer scheme**]**—

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(a) to terminate, modify, acquire or claim an interest or right; or

(b) to treat an interest or right as terminated or modified.

(2) The entitlement—

(a) is not enforceable in relation to that interest or right until after an order has been made under section 112(1) in relation to the scheme; and

(b) is then enforceable in relation to that interest or right only insofar as the order contains provision to that effect.

(3) Nothing in subsection (1) or (2) is to be read as limiting the scope of section 112(1).**]**

Textual Amendments

F895 S. 112A inserted (30.6.2008) by The Financial Services and Markets Act 2000 (Amendments to Part 7) Regulations 2008 (S.I. 2008/1468), **reg. 2(3)**

F896 Words in s. 112A(1) substituted (1.3.2014) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 1 para. 12**; S.I. 2014/377, art. 2(1)(a), Sch. Pt. 1

113 Appointment of actuary in relation to reduction of benefits.

(1) This section applies if an order has been made under section 111(1).

(2) The court making the order may, on the application of **[**F897either regulator**]**, appoint an independent actuary—

(a) to investigate the business transferred under the scheme; and

(b) to report to the **[**F898regulator which made the application**]** on any reduction in the benefits payable under policies entered into by **[**F845the transferor concerned**]** that, in the opinion of the actuary, ought to be made.

[F899(3) An application under subsection (2) may be made by the PRA only if—

(a) **[**F845the transferor concerned**]** or the transferee is a PRA-authorised person, or

(b) **[**F845the transferor concerned**]** or the transferee has as a member of its immediate group a PRA-authorised person.**]**

Textual Amendments

F845 Words in Pt. VII substituted (1.3.2014) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 1 para. 2**; S.I. 2014/377, art. 2(1)(a), Sch. Pt. 1

F897 Words in s. 113(2) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 6 para. 7(2)(a)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F898 Words in s. 113(2) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 6 para. 7(2)(b)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F899 S. 113(3) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 6 para. 7(3)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

Modifications etc. (not altering text)

C327 S. 113 applied (1.12.2001) by S.I. 2001/3626, **arts. 1**, 3(a)

F900114 Rights of certain policyholders.

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Textual Amendments

F900 S. 114 omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **33(3)** (with transitional provisions in S.I. 2019/710, regs. 1(4), 36, Sch. paras. 3-5, **6(4)**); 2020 c. 1, **Sch. 5 para. 1(1)**

[F901]114A Notice of transfer of reinsurance contracts

. . . . . .

Textual Amendments

F901 S. 114A omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **33(3)** (with transitional provisions in S.I. 2019/710, regs. 1(4), 36, Sch. paras. 3-5, **6(5)**); 2020 c. 1, **Sch. 5 para. 1(1)**

Business transfers outside the United Kingdom

115 Certificates for purposes of insurance business transfers overseas.

Part III of Schedule 12 makes provision about certificates which the **[**[F902]appropriate regulator**]** may issue in relation to insurance business transfers taking place outside the United Kingdom.

Textual Amendments

F902 Words in s. 115 substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 6 para. 8** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

[F903]116 Effect of insurance business transfers authorised in other EEA States.

. . . . . .

Textual Amendments

F903 S. 116 omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **33(3)** (with transitional provisions in S.I. 2019/710, regs. 1(4), 36, Sch. para. 3); 2020 c. 1, Sch. 5 para. 1(1)

Modifications

117 Power to modify this Part.

The Treasury may by regulations—

(a) provide for prescribed provisions of this Part to have effect in relation to prescribed cases with such modifications as may be prescribed;

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(b) make such amendments to any provision of this Part as they consider appropriate for the more effective operation of that or any other provision of this Part.

PART VIII

[F904PROVISIONS RELATING TO MARKET ABUSE]

Textual Amendments

F904 Pt. 8 heading substituted (3.7.2016) by The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **9(2)**

Modifications etc. (not altering text)

C328 Pt. 8 applied (with modifications) (18.6.2012) by The Recognised Auction Platforms Regulations 2011 (S.I. 2011/2699), regs. 1(2)(b), 6, **Sch. 1** (as amended (3.1.2018) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) (No.2) Regulations 2017 (S.I. 2017/1255), regs. 2(b), **9**)

F905...

Textual Amendments

F905 Ss. 118-122 and cross-headings omitted (3.7.2016) by virtue of The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **9(3)**

F905118 Market abuse.

. . . . . .

F905118A Supplementary provision about certain behaviour

. . . . . .

F905118B Insiders

. . . . . .

F905118C Inside information

. . . . . .

F905...

F905119 The code.

. . . . . .

Status: *This version of this Act contains provisions that are prospective.*
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F905 120 Provisions included in the [F906 FCA's] code by reference to the City Code.

. . . . . .

Textual Amendments

F906 Word in s. 120 substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), Sch. 9 para. 9(1)**(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F905 121 Codes: procedure.

. . . . . .

F905 122 Effect of the code.

. . . . . .

I F907 Powers to require information and supplemental provisions

Textual Amendments

F907 Ss. 122A-122I and cross-headings inserted (3.7.2016) by The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **9(4)**

122A. Power to require information from issuers

(1) The FCA may require an issuer, a person discharging managerial responsibilities or a person closely associated with a person discharging managerial responsibilities to provide—

(a) any information the FCA reasonably requires for the purpose of protecting—

(i) the interests of users of financial markets and exchanges in the United Kingdom; or

(ii) the orderly operation of financial markets and exchanges in the United Kingdom; or

(b) any information or explanation the FCA reasonably requires to verify whether Article 17 (public disclosure of inside information) or Article 19 (managers' transactions) of the market abuse regulation is being, or has been, complied with.

(2) Information required under this section must be provided—

(a) before the end of such reasonable period as may be specified by the FCA; and

(b) at such place as may be specified by the FCA.

(3) The FCA may require any information provided under this section to be provided in such form as it may reasonably require.

(4) The FCA may require any information provided, whether in a document or otherwise, to be verified in such manner as it may reasonably require.

(5) In this section—

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"person closely associated" has the meaning given in Article 3.1(26) of the market abuse regulation (see section 131AC (meaning of "persons closely associated" in the market abuse regulation)); and

"person discharging managerial responsibilities" has the meaning given in Article 3.1(25) of the market abuse regulation.

(6) For the meaning of "issuer" in this Part, see section 131AB.

122B. General power to require information

(1) The FCA may, by notice in writing, require a person—

(a) to provide specified information or information of a specified description; or

(b) to produce specified documents or documents of a specified description.

(2) This section applies only to information and documents that the FCA reasonably requires for the purpose of the exercise by it of functions under the market abuse regulation or **[**F908under supplementary market abuse legislation**]**.

(3) Information or documents required under this section must be provided or produced—

(a) before the end of such reasonable period as may be specified; and

(b) at such place as may be specified.

(4) The FCA may require any information provided under this section to be provided in such form as it may reasonably require.

(5) The FCA may require—

(a) any information provided, whether in a document or otherwise, to be verified in such manner as it may reasonably require; or

(b) any document produced to be authenticated in such manner as it may reasonably require.

[F909(6) The FCA may exercise its powers under this section at the request of an overseas regulator where the regulator makes the request in the exercise of its relevant functions.

(6A) In subsection (6)—

"overseas regulator" means—

(a) the competent authority of an EEA State for the purposes of the market abuse regulation, as that regulation has effect in the European Union (the "EU version of the market abuse regulation"); or

(b) an authority of any other country or territory outside the United Kingdom which exercises functions corresponding to those of a competent authority under the EU version of the market abuse regulation;

"relevant functions" means—

(a) in relation to the competent authority of an EEA State, its functions under—

(i) the EU version of the market abuse regulation; or

(ii) a directly applicable EU regulation made under the EU version of the market abuse regulation;

(b) in relation to an authority of any other country or territory outside the United Kingdom, its functions corresponding to the functions referred to in paragraph (a);**]**

(8) In this section "specified" means specified in the notice.

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Textual Amendments

F908 Words in s. 122B(2) substituted (31.12.2020) by The Market Abuse (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/310), regs. 1(3), **5(2)(a)**; 2020 c. 1, Sch. 5 para. 1(1)

F909 S. 122B(6)(6A) substituted for s. 122B(6)(7) (31.12.2020) by The Market Abuse (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/310), regs. 1(3), **5(2)(b)**; 2020 c. 1, Sch. 5 para. 1(1)

122C. Power to require information: supplementary

(1) If a document is produced in response to a requirement imposed under section 122B, the FCA may—

(a) take copies of, or extracts from, the document; or

(b) require the person producing the document, or any relevant person, to provide an explanation of the document.

(2) In subsection (1)(b) "relevant person", in relation to a person who is required to produce a document, means a person who—

(a) has been, is, or is proposed to be, a director or controller of that person;

(b) has been or is an auditor of that person;

(c) has been or is an actuary, accountant or lawyer appointed or instructed by that person; or

(d) has been or is an employee of that person.

(3) If a person who is required under section 122B to produce a document fails to do so, the FCA may require the person to state, to the best of the person's knowledge and belief, where the document is.

(4) A lawyer may be required under section 122B to provide the name and address of the lawyer's client.

(5) A person ("P") may not be required under section 122A or 122B to disclose information or produce a document in respect of which P owes an obligation of confidence by virtue of carrying on the business of banking unless condition A, B or C is met.

(6) Condition A is met if the FCA suspects that P or a member of P's group—

(a) has contravened Article 14 (prohibition of insider dealing and of unlawful disclosure of inside information) or Article 15 (prohibition of market manipulation) of the market abuse regulation; or

(b) has contravened, or been knowingly concerned in the contravention of—

(i) a provision of the market abuse regulation other than Article 14 or 15 of that regulation; or

(ii) a provision of a supplementary EU regulation.

(7) Condition B is met if the FCA suspects that the person to whom the obligation of confidence is owed or a member of that person's group—

(a) has contravened Article 14 or Article 15 of the market abuse regulation; or

(b) has contravened, or been knowingly concerned in the contravention of—

(i) a provision of the market abuse regulation other than Article 14 or 15 of that regulation; or

(ii) a provision of a supplementary EU regulation.

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(8) Condition C is met if the person to whom the obligation of confidence is owed consents to the disclosure or production.

(9) If a person claims a lien on a document, its production under section 122B does not affect the lien.

122D. Entry of premises under warrant

(1) A justice of the peace may issue a warrant under this section if satisfied on information on oath given by or on behalf of the FCA that there are reasonable grounds for believing that the conditions in subsection (2) are met.

(2) The conditions are—

(a) that a person on whom a requirement has been imposed under section 122B or 122C has failed (wholly or in part) to comply with it; and

(b) that on the premises specified in the warrant—

(i) there are documents which have been required; or

(ii) there is information which has been required.

(3) A warrant under this section shall authorise a constable—

(a) to enter the premises specified in the warrant;

(b) to search the premises and take possession of any documents or information appearing to be documents or information of a kind in respect of which a warrant under this section was issued ("the relevant kind") or to take, in relation to any such documents or information, any other steps which may appear to be necessary for preserving them or preventing interference with them;

(c) to take copies of, or extracts from, any documents or information appearing to be of the relevant kind;

(d) to require any person on the premises to provide an explanation of any document or information appearing to be of the relevant kind or to state where it may be found; and

(e) to use such force as may be reasonably necessary.

(4) A warrant under this section may be executed by any constable.

(5) The warrant may authorise persons to accompany any constable who is executing it.

(6) The powers in subsection (3) may be exercised by a person authorised by the warrant to accompany a constable; but that person may exercise those powers only in the company of, and under the supervision of, a constable.

(7) In England and Wales, sections 15(5) to (8) and 16(3) to (12) of the Police and Criminal Evidence Act 1984 (execution of search warrants and safeguards) apply to warrants issued under this section.

(8) In Northern Ireland, Articles 17(5) to (8) and 18(3) to (12) of the Police and Criminal Evidence (Northern Ireland) Order 1989 (S.I. 1989/1341 (N.I. 12)) apply to warrants issued under this section.

(9) In the application of this section to Scotland—

(a) for the reference to a justice of the peace substitute a reference to a justice of the peace or a sheriff; and

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(b) for the references to information on oath substitute references to evidence on oath.

(10) The FCA may give information under subsection (1) or under section 176(1) at the request of an **[**F910overseas**]** regulator where the regulator makes the request in the exercise of its **[**F911relevant functions**]**.

[F912(10A) In subsection (10), "overseas regulator" and "relevant functions" have the meaning given in section 122B(6A).**]**

F913(11) . . . . . .

Textual Amendments

F910 Word in s. 122D(10) substituted (31.12.2020) by The Market Abuse (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/310), regs. 1(3), **5(3)(a)(i)**; 2020 c. 1, Sch. 5 para. 1(1)

F911 Words in s. 122D(10) substituted (31.12.2020) by The Market Abuse (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/310), regs. 1(3), **5(3)(a)(ii)**; 2020 c. 1, Sch. 5 para. 1(1)

F912 S. 122D(10A) inserted (31.12.2020) by The Market Abuse (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/310), regs. 1(3), **5(3)(b)**; 2020 c. 1, Sch. 5 para. 1(1)

F913 S. 122D(11) omitted (31.12.2020) by virtue of The Market Abuse (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/310), regs. 1(3), **5(3)(c)**; 2020 c. 1, Sch. 5 para. 1(1)

122E. Retention of documents taken under section 122D

(1) Any document of which possession is taken under section 122D ("a seized document") may be retained so long as it is necessary to retain it (rather than copies of it) in the circumstances.

(2) A person claiming to be the owner of a seized document may apply to a magistrates' court or (in Scotland) the sheriff for an order for the delivery of the document to the person appearing to the court or sheriff to be the owner.

(3) If, on an application under subsection (2), the court or (in Scotland) the sheriff cannot ascertain who is the owner of the seized document the court or sheriff (as the case may be) may make such order as the court or sheriff thinks fit.

(4) An order under subsection (2) or (3) does not affect the right of any person to take legal proceedings against any person in possession of a seized document for the recovery of the document.

(5) Any right to bring proceedings (as described in subsection (4)) may only be exercised within 6 months of the date of the order made under subsection (2) or (3).

122F. Offences

(1) If a person ("A") fails to comply with a requirement imposed on A under section 122B or 122C the FCA may certify that fact in writing to the court.

(2) If the court is satisfied that A failed without reasonable excuse to comply with the requirement, it may deal with A (and where A is a body corporate, any director or other officer) as if A (or as the case may be the director or officer) were in contempt.

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(3) A person ("B") who, in purported compliance with a requirement imposed on B under section 122B or 122C—

(a) provides information which B knows to be false or misleading in a material particular; or

(b) recklessly provides information which is false or misleading in a material particular;

is guilty of an offence.

(4) A person guilty of an offence under subsection (3) is liable—

(a) on summary conviction—

(i) in England and Wales, to imprisonment for a term not exceeding three months or a fine, or both;

(ii) in Scotland, to imprisonment for a term not exceeding three months or a fine not exceeding the statutory maximum, or both;

(iii) in Northern Ireland, to imprisonment for a term not exceeding three months or a fine not exceeding the statutory maximum, or both;

(b) on conviction on indictment, to imprisonment for a term not exceeding two years or a fine, or both.

(5) Any person who intentionally obstructs the exercise of any rights conferred by a warrant under section 122D is guilty of an offence and liable on summary conviction—

(a) in England and Wales, to imprisonment for a term not exceeding three months or a fine, or both;

(b) in Scotland, to imprisonment for a term not exceeding three months or a fine not exceeding level 5 on the standard scale, or both;

(c) in Northern Ireland, to imprisonment for a term not exceeding three months or a fine not exceeding level 5 on the standard scale, or both.

(6) In this section—

(a) "court" means—

(i) the High Court;

(ii) in Scotland, the Court of Session;

(b) "officer", in relation to a limited liability partnership, means a member of the partnership.

Other administrative powers

122G. Publication of information and corrective statements by issuers

(1) If condition A or B is met, the FCA may require an issuer **[**[F914]or emission allowance market participant**]** to publish—

(a) specified information; or

(b) a specified statement.

(2) Condition A is met if the FCA considers that the publication of the information or statement is necessary for the purpose of protecting—

(a) the interests of users of financial markets and exchanges in the United Kingdom; or

(b) the orderly operation of financial markets and exchanges in the United Kingdom.

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(3) Condition B is met if—

(a) the information or statement corrects false or misleading information made public, or a false or misleading impression given to the public, by that person; and

(b) the FCA considers that the publication of the information is necessary for the purpose of the exercise by it of functions under the market abuse regulation or **[**F915under supplementary market abuse legislation**]**.

(4) Information or statements required to be published under this section must be published—

(a) before the end of such reasonable period as may be specified; and

(b) by any method as may be specified.

(5) If a person fails to comply with a requirement to publish information or a statement under this section, the FCA may publish the information or statement.

(6) But before doing so, the FCA must give that person an opportunity to make representations to it regarding its decision to publish the information or statement under subsection (5).

[F916(7) In this section—

"emission allowance market participant" has the same meaning as in Article **[**F9173.1.20**]** (definitions) of the market abuse regulation; and

"specified" means specified by the FCA.**]**

(8) For the meaning of "issuer", see section 131AB.

Textual Amendments

F914 Words in s. 122G(1) inserted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 2 para. 9(2)** (with reg. 7)

F915 Words in s. 122G(3)(b) substituted (31.12.2020) by The Market Abuse (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/310), regs. 1(3), **5(4)**; 2020 c. 1, Sch. 5 para. 1(1)

F916 S. 122G(7) substituted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 2 para. 9(3)** (with reg. 7)

F917 Word in s. 122G(7) substituted (19.2.2019) by The Market Abuse (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/310), regs. 1(2), **3**

122H. Publication of corrective statements generally

(1) If condition A or B is met, the FCA may, by notice in writing, require a person to publish—

(a) specified information; or

(b) a specified statement

correcting false or misleading information made public, or a false or misleading impression given to the public, by that person.

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

(2) Condition A is met if the FCA considers that the publication of the information or statement is necessary for the purpose of protecting—

(a) the interests of users of financial markets and exchanges in the United Kingdom; or

(b) the orderly operation of financial markets and exchanges in the United Kingdom.

(3) Condition B is met if the FCA considers that the publication of the information or statement is necessary for the purpose of the exercise by it of functions under the market abuse regulation or **[**[F918]under supplementary market abuse legislation**]**.

(4) Information or statements required to be published under this section must be published—

(a) before the end of such reasonable period as may be specified; and

(b) by any method as may be specified.

(5) If a person fails to comply with a requirement to publish information or a statement under this section the FCA may publish the information or statement.

(6) But before doing so, the FCA must give that person an opportunity to make representations to it regarding its decision to publish the information or statement under subsection (5).

(7) In this section "specified" means specified in the notice.

Textual Amendments

F918 Words in s. 122H(3) substituted (31.12.2020) by The Market Abuse (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/310), regs. 1(3), **5(5)**; 2020 c. 1, Sch. 5 para. 1(1)

[[F919]**122HA Publication of corrective statements relating to benchmarks**

(1) If condition A or B is met, the FCA may, by notice in writing, require a person to publish—

(a) specified information, or

(b) a specified statement,

correcting false or misleading information made public, or a false or misleading impression given to the public, by that person.

(2) Condition A is met if the FCA considers that the publication of the information or statement is necessary for the purpose of protecting the interests of users of regulated benchmarks.

(3) Condition B is met if the FCA considers that the publication of the information or statement is necessary for the purpose of the exercise by it of its functions under Article 41(1)(j) of the EU Benchmarks Regulation 2016.

(4) Information or statements required to be published under this section must be published—

(a) before the end of such reasonable period as may be specified; and

(b) by any such method as may be specified.

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

(5) If a person fails to comply with a requirement to publish information or a statement under this section the FCA may publish the information or statement.

(6) But before doing so, the FCA must give that person an opportunity to make representations to it regarding its decision to publish the information or statement under subsection (5).

(7) In this section—

"specified" means specified in the notice, and

"regulated benchmark" means a regulated benchmark as defined in section 425A(7).**]**

Textual Amendments

F919 S. 122HA inserted (27.2.2018) by The Financial Services and Markets Act 2000 (Benchmarks) Regulations 2018 (S.I. 2018/135), regs. 1(2), **41**

122I. Power to suspend trading in financial instruments

(1) The FCA may suspend trading of a financial instrument where it considers it necessary for the purpose of the exercise by it of functions under the market abuse regulation or **[**[F920]under supplementary market abuse legislation**]**.

(2) If the FCA does so the issuer of the financial instrument may refer the matter to the Tribunal.

[F921](2A) **[** But subsection (2) does not apply if the financial instrument is an emission allowance.**]**

(3) The FCA may—

(a) cancel a suspension under subsection (1); and

(b) impose such conditions for the cancellation to take effect as it considers appropriate.

(4) The provisions relating to suspension of listing of securities in section 78 (discontinuance or suspension: procedure) apply to a suspension of trading in a financial instrument **[**[F922]other than an emission allowance**]** under subsection (1) and for the purposes of this section—

(a) the references in section 78 to listing are to be read as references to trading; and

(b) the references in section 78 to securities are to be read as references to financial instruments.

[F923](4A) **[** A suspension of trading in a financial instrument that is an emission allowance takes effect—

(a) immediately, if the FCA states that is the case; or

(b) on such later date as the FCA specify.**]**

(5) For the meaning of "issuer" in this Part, see section 131AB.**]**

Status: *This version of this Act contains provisions that are prospective.*
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Textual Amendments

F920 Words in s. 122I(1) substituted (31.12.2020) by The Market Abuse (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/310), regs. 1(3), **5(6)**; 2020 c. 1, Sch. 5 para. 1(1)

F921 S. 122I(2A) inserted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 2 para. 10(2)** (with reg. 7)

F922 Words in s. 122I(4) inserted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 2 para. 10(3)** (with reg. 7)

F923 S. 122I(4A) inserted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 2 para. 10(4)** (with reg. 7)

[F924 122IA Power to suspend auctioning of auctioned products on a recognised auction platform

(1) The FCA may suspend the auctioning of a relevant auctioned product at an auction conducted by a recognised auction platform where it considers it necessary for the purpose of the exercise by it of functions under the market abuse regulation or **[**F925any supplementary market abuse legislation**]**.

(2) If the FCA does so the recognised auction platform may refer the matter to the Tribunal.

(3) A suspension by the FCA takes place—

(a) immediately, if the FCA specify this is the case, or

(b) on such later date as the FCA specify.

(4) The FCA may—

(a) cancel a suspension under subsection (1), and

(b) impose such conditions for the cancellation to take effect as it considers appropriate.

(5) The provisions relating to the suspension and removal of financial instruments from trading set out in—

(a) section 313B(2) to (4) (suspension or removal of financial instruments from trading: procedure), and

(b) sections 313BA (procedure following consideration of representations) to 313BC (decisions on applications for revocation by institutions),

apply, with the modifications set out in subsection (6), to a suspension of the auctioning of a relevant auctioned product at an auction conducted by a recognised auction platform.

(6) The modifications referred to in subsection (5) are—

(a) references to a requirement imposed on an institution under section 313A are to be read as references to the suspension of the auctioning of the relevant auctioned product;

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(b) references to an institution are to be read as references to the recognised auction platform;

(c) in section 313B, the omission of—

(i) subsection (2)(a)(ii);

(ii) in subsection (3A)(d), the words "or the issuer of the financial instrument in question" and "or the issuer";

(iii) in subsection (3A)(f), the words "or the issuer of the financial instrument in question;

(d) the omission of section 313BA(5)(b) and (8);

(e) the omission of section 313BB(6)(b); and

(f) the omission of section 313BC(3)(b) and (6)(b).

(7) In this section "relevant auctioned product" means an auctioned product **[**F926, within the meaning of regulation 4 of the Greenhouse Gas Emissions Trading Scheme Auctioning Regulations 2021**]**.**]**

Textual Amendments

F924 S. 122IA inserted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 2 para. 11** (with reg. 7)

F925 Words in s. 122IA(1) substituted (22.4.2021) by The Recognised Auction Platforms (Amendment and Miscellaneous Provisions) Regulations 2021 (S.I. 2021/494), regs. 1(2), **2(2)(a)**

F926 Words in s. 122IA(7) substituted (22.4.2021) by The Recognised Auction Platforms (Amendment and Miscellaneous Provisions) Regulations 2021 (S.I. 2021/494), regs. 1(2), **2(2)(b)**

[**F927*Administrative sanctions]***

Textual Amendments

F927 Ss. 123-123C and cross-heading substituted for s. 123 and cross-heading (3.7.2016) by The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **9(5)**

[F927**123 Power to impose penalties or issue censure**

(1) The FCA may exercise its power under subsection (2) if it is satisfied that—

(a) a person has contravened Article 14 (prohibition of insider dealing and of unlawful disclosure of inside information) or Article 15 (prohibition of market manipulation) of the market abuse regulation;

(b) a person has contravened, or been knowingly concerned in the contravention of—

(i) a provision of the market abuse regulation other than Article 14 or 15 of that regulation; or

(ii) a provision of **[**F928any supplementary market abuse legislation**]**; or

(c) a person other than an authorised person has contravened any requirement—

(i) imposed on that person under section 122A, 122B, 122C, 122G, 122H, **[**F929122HA,**]** 122I, **[**F930122IA,**]** 123A or 123B; or

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(ii) relating to the market abuse regulation or **[**F931any supplementary market abuse legislation**]** imposed on that person under Part 11.

(2) The FCA's power under this subsection is a power to impose a penalty of such amount as it considers appropriate on the person.

(3) The FCA may, instead of imposing a penalty on a person, publish a statement censuring the person.**]**

Textual Amendments

F928 Words in s. 123(1)(b)(ii) substituted (31.12.2020) by The Market Abuse (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/310), regs. 1(3), **5(8)(a)**; 2020 c. 1, Sch. 5 para. 1(1)

F929 Word in s. 123(1)(c)(i) inserted (27.2.2018) by The Financial Services and Markets Act 2000 (Benchmarks) Regulations 2018 (S.I. 2018/135), regs. 1(2), **42(1)**

F930 Word in s. 123(1)(c)(i) inserted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 2 para. 12** (with reg. 7)

F931 Words in s. 123(1)(c)(ii) substituted (31.12.2020) by virtue of The Market Abuse (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/310), regs. 1(3), **5(8)(a)**; 2020 c. 1, Sch. 5 para. 1(1)

[F927**123APower to prohibit individuals from managing or dealing**

(1) The FCA may exercise its power under subsection (2) if it is satisfied that an individual—

(a) has contravened Article 14 (prohibition of insider dealing and of unlawful disclosure of inside information) or Article 15 (prohibition of market manipulation) of the market abuse regulation;

(b) has contravened, or been knowingly concerned in the contravention of—

(i) a provision of the market abuse regulation other than Article 14 or 15 of that regulation; or

(ii) a provision of **[**F932any supplementary market abuse legislation**]**; or

(c) has contravened a requirement imposed on that individual under this section or section 122A, 122B, 122C, 122G, 122H, **[**F933122HA,**]** 122I **[**F934, 122IA**]** or 123B.

(2) The FCA's power under this subsection is a power to impose **[**F935one or more**]** of the following—

(a) a temporary prohibition on the individual holding an office or position involving responsibility for taking decisions about the management of an investment firm;

(b) a temporary prohibition on the individual acquiring or disposing of financial instruments, whether on his or her own account or the account of a third party and whether directly or indirectly.

[F936(c) a temporary prohibition on the individual making a bid, on his or her own account or the account of a third party, directly or indirectly, at an auction conducted by a recognised auction platform.**]**

(3) If the FCA is satisfied that an individual has contravened Article 14 or 15 of the market abuse regulation the FCA may impose a permanent prohibition on the individual

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holding an office or position involving responsibility for taking decisions about the management of an investment firm.

(4) A prohibition imposed under subsection (2) may be expressed to expire at the end of such period as the FCA may specify, but the imposition of a prohibition that expires at the end of a specified period does not affect the FCA's power to impose a new prohibition under subsection (2).

(5) A prohibition imposed under subsection (2)(a) or (3) may be expressed to prohibit an individual holding an office or position involving responsibility for taking decisions about the management of—

(a) a named investment firm;

(b) an investment firm of a specified description; or

(c) any investment firm.

(6) An investment firm must take reasonable care to ensure that no individual who is subject to a prohibition under subsection (2)(a) or (3) on the holding of an office or position involving responsibility for taking decisions about the management of the firm holds such an office or position.

(7) The FCA may vary or revoke a prohibition imposed under this section.

F937(8) **[** For the meaning of "recognised auction platform" in this Part, see section 131AB.**]**

Textual Amendments

F932 Words in s. 123A(b)(ii) substituted (31.12.2020) by The Market Abuse (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/310), regs. 1(3), **5(9)(a)**; 2020 c. 1, Sch. 5 para. 1(1)

F933 Word in s. 123A(1)(c) inserted (27.2.2018) by The Financial Services and Markets Act 2000 (Benchmarks) Regulations 2018 (S.I. 2018/135), regs. 1(2), **42(2)**

F934 Word in s. 123A(1)(c) inserted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 2 para. 13(2)** (with reg. 7)

F935 Words in s. 123A(2) substituted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 2 para. 13(3)(a)** (with reg. 7)

F936 S. 123A(2)(c) inserted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 2 para. 13(3)(b)** (with reg. 7)

F937 S. 123A(8) inserted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 2 para. 13(4)** (with reg. 7)

123B. Suspending permission to carry on regulated activities etc

(1) The FCA may exercise its power under subsection (2) if it is satisfied that an authorised person—

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(a) has contravened Article 14 (prohibition of insider dealing and of unlawful disclosure of inside information) or Article 15 (prohibition of market manipulation) of the market abuse regulation;

(b) has contravened, or been knowingly concerned in the contravention of—

(i) a provision of the market abuse regulation other than Article 14 and 15 of that regulation;

(ii) a provision of **[**F938any supplementary market abuse legislation**]**; or

(c) has contravened a requirement imposed on that person under this section or section 122A, 122B, 122C, 122G, 122H, **[**F939122HA,**]** 122I **[**F940, 122IA**]** or 123A.

(2) The FCA's power under this subsection is a power to do either or both of the following —

(a) to suspend, for such period as it considers appropriate, any permission which the person has to carry on a regulated activity;

(b) to impose, for such period as it considers appropriate, such limitations or other restrictions in relation to the carrying on of a regulated activity by the person as it considers appropriate.

(3) In subsection (2) "permission" means any permission that the authorised person has, whether given (or treated as given) by the FCA or the PRA or conferred by any provision of this Act.

(4) The period for which a suspension or restriction is to have effect may not exceed 12 months.

(5) A suspension may relate only to the carrying on of an activity in specified circumstances.

(6) A restriction may, in particular, be imposed so as to require the person concerned to take, or refrain from taking, specified action.

(7) The FCA may—

(a) withdraw a suspension or restriction; or

(b) vary a suspension or restriction so as to reduce the period for which it has effect or otherwise to limit its effect.

(8) The power under this section may (but need not) be exercised so as to have effect in relation to all the regulated activities that the person concerned carries on.

Textual Amendments

F938 Words in s. 123B(1)(b)(ii) substituted (31.12.2020) by The Market Abuse (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/310), regs. 1(3), **5(10)(a)**; 2020 c. 1, Sch. 5 para. 1(1)

F939 Word in s. 123B(1)(c) inserted (27.2.2018) by The Financial Services and Markets Act 2000 (Benchmarks) Regulations 2018 (S.I. 2018/135), regs. 1(2), **42(2)**

F940 Word in s. 123B(1)(c) inserted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 2 para. 14** (with reg. 7)

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123C. Exercise of administrative sanctions

Any one or more of the powers under sections 123, 123A and 123B may be exercised in relation to the same contravention.**]**

Statement of policy

124 Statement of policy.

[F941(1) The FCA must prepare and issue a statement of its policy with respect to the type and level of administrative sanctions it may impose on a relevant person.

(2) The FCA's policy in determining the type and level of administrative sanctions to be imposed must take into account all relevant circumstances including, where appropriate, the matters referred to in Article 31(1) of the market abuse regulation **[**F942or Article 43(1) of the EU Benchmarks Regulation 2016**]**.**]**

F943(3) . . . . . .

(4) The **[**F944FCA**]** may at any time alter or replace a statement issued under this section.

(5) If a statement issued under this section is altered or replaced, the **[**F944FCA**]** must issue the altered or replacement statement.

[F945(6) When imposing, or deciding whether to impose, an administrative sanction on a relevant person the FCA must have regard to any statement published under this section in force at the time of the contravention.**]**

(7) A statement issued under this section must be published by the **[**F944FCA**]** in the way appearing to the **[**F944FCA**]** to be best calculated to bring it to the attention of the public.

(8) The **[**F944FCA**]** may charge a reasonable fee for providing a person with a copy of a statement published under this section.

(9) The **[**F944FCA**]** must, without delay, give the Treasury a copy of any statement which it publishes under this section.

[F946(10) In this section—

"administrative sanction" means—

(a) a penalty or statement of censure imposed or published under section 123;

(b) a prohibition imposed under section 123A; or

(c) a suspension or restriction imposed under section 123B; and

"relevant person" means a person—

(a) who has contravened Article 14 (prohibition of insider dealing and of unlawful disclosure of inside information) or Article 15 (prohibition of market manipulation) of the market abuse regulation;

(b) who has contravened, or been knowingly concerned in the contravention of—

(i) a provision of the market abuse regulation other than Article 14 or 15 of that regulation; or

(ii) a provision of **[**F947any supplementary market abuse legislation**]**; or

(c) who has contravened—

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(i) any requirement imposed on the person under section 122A, 122B, 122C, 122G, 122H, **[**F948122HA,**]** 122I, **[**F949122IA,**]** 123A or 123B; or

(ii) in the case of a person other than an authorised person, any requirement relating to the market abuse regulation or **[**F947any supplementary market abuse legislation**]** imposed on the person under Part 11.**]**

Textual Amendments

F941 S. 124(1)(2) substituted (3.7.2016) by The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **9(6)(a)**

F942 Words in s. 124(2) inserted (27.2.2018) by The Financial Services and Markets Act 2000 (Benchmarks) Regulations 2018 (S.I. 2018/135), regs. 1(2), **42(3)(a)**

F943 S. 124(3) omitted (3.7.2016) by virtue of The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **9(6)(b)**

F944 Word in ss. 121-130A substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), Sch. 9 para. 9(1)**(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F945 S. 124(6) substituted (3.7.2016) by The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **9(6)(c)**

F946 S. 124(10) inserted (3.7.2016) by The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **9(6)(d)**

F947 Words in s. 124(10) substituted (31.12.2020) by The Market Abuse (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/310), regs. 1(3), **5(11)(a)**; 2020 c. 1, Sch. 5 para. 1(1)

F948 Word in s. 124(10) inserted (27.2.2018) by The Financial Services and Markets Act 2000 (Benchmarks) Regulations 2018 (S.I. 2018/135), regs. 1(2), **42(3)(b)**

F949 Word in s. 124(10) inserted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 2 para. 15** (with reg. 7)

125 Statement of policy: procedure.

(1) Before issuing a statement of policy under section 124, the **[**F944FCA**]** must publish a draft of the proposed statement in the way appearing to the **[**F944FCA**]** to be best calculated to bring it to the attention of the public.

(2) The draft must be accompanied by notice that representations about the proposal may be made to the **[**F944FCA**]** within a specified time.

(3) Before issuing the proposed statement, the **[**F944FCA**]** must have regard to any representations made to it in accordance with subsection (2).

(4) If the **[**F944FCA**]** issues the proposed statement it must publish an account, in general terms, of—

(a) the representations made to it in accordance with subsection (2); and

(b) its response to them.

(5) If the statement differs from the draft published under subsection (1) in a way which is, in the opinion of the **[**F944FCA**]**, significant, the **[**F944FCA**]** must (in addition to complying with subsection (4)) publish details of the difference.

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

(6) The **[**F944FCA**]** may charge a reasonable fee for providing a person with a copy of a draft published under subsection (1).

(7) This section also applies to a proposal to alter or replace a statement.

Textual Amendments

F944 Word in ss. 121-130A substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), Sch. 9 para. 9(1)**(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

Procedure

126 Warning notices.

[F950(1) If the FCA proposes—

(a) to impose a penalty on a person under section 123(2);

(b) to publish a statement censuring a person under section 123(3);

(c) to impose a temporary prohibition on an individual under section 123A(2)(a);

(d) to impose a temporary prohibition on an individual under section 123A(2)(b);

(e) to impose a permanent prohibition on an individual under section 123A(3); or

(f) to impose a suspension or restriction in relation to a person under section 123B;

it must give the person a warning notice.**]**

(2) A warning notice about a proposal to impose a penalty **[**F951under section 123**]** must state the amount of the proposed penalty.

(3) A warning notice about a proposal to publish a statement **[**F952under section 123**]** must set out the terms of the proposed statement.

[F953(4) A warning notice about a proposal to impose a prohibition under section 123A must set out the terms of the proposed prohibition.

(5) A warning notice about a proposal to impose a suspension or restriction under section 123B must state the period for which the suspension or restriction is to have effect.**]**

Textual Amendments

F950 S. 126(1) substituted (3.7.2016) by The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **9(7)(a)**

F951 Words in s. 126(2) inserted (3.7.2016) by The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **9(7)(b)**

F952 Words in s. 126(3) inserted (3.7.2016) by The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **9(7)(c)**

F953 S. 126(4)(5) inserted (3.7.2016) by The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **9(7)(d)**

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127 Decision notices and right to refer to Tribunal.

[[F954](1) If the FCA decides—

(a) to impose a penalty on a person under section 123(2);

(b) to publish a statement censuring a person under section 123(3);

(c) to impose a temporary prohibition on an individual under section 123A(2)(a);

(d) to impose a temporary prohibition on an individual under section 123A(2)(b);

(e) to impose a permanent prohibition on an individual under section 123A(3);

(f) to impose a suspension or restriction in relation to a person under section 123B;

it must give the person a decision notice.**]**

(2) A decision notice about the imposition of a penalty **[**[F955]under section 123**]** must state the amount of the penalty.

(3) A decision notice about the publication of a statement **[**[F956]under section 123**]** must set out the terms of the statement.

[[F957](3A) A decision notice about the imposition of a prohibition under section 123A must set out the terms of the prohibition.

(3B) A decision notice about the imposition of a suspension or restriction under section 123B must state the period for which the suspension or restriction is to have effect.**]**

[[F958](4) If the FCA decides—

(a) to impose a penalty on a person under section 123(2);

(b) to publish a statement censuring a person under section 123(3);

(c) to impose a prohibition on an individual under section 123A; or

(d) to impose a suspension or restriction in relation to a person under section 123B;

that person may refer the matter to the Tribunal.**]**

Textual Amendments

F954 S. 127(1) substituted (3.7.2016) by The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **9(8)(a)**

F955 Words in s. 127(2) inserted (3.7.2016) by The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **9(8)(b)**

F956 Words in s. 127(3) inserted (3.7.2016) by The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **9(8)(c)**

F957 S. 127(3A)(3B) inserted (3.7.2016) by The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **9(8)(d)**

F958 S. 127(4) substituted (3.7.2016) by The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **9(8)(e)**

[[F959]127A Consultation with the PRA in relation to administrative sanctions

(1) The FCA must consult the PRA before giving a warning notice under section 126(1)(a), (b), (d) or (f) or a decision notice under section 127(1)(a), (b), (d) or (f) in relation to a person who—

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(a) is a PRA-authorised person; or

(b) is a member of a PRA-authorised person's immediate group.

(2) The FCA must consult the PRA before giving a warning notice under section 126(1)(c) or (e) or a decision notice under section 127(1)(c) or (e) if as a result of the prohibition in question an individual would be prohibited from holding an office or position involving responsibility for taking decisions about the management of a PRA-authorised investment firm.

(3) The FCA must consult the PRA before varying or revoking a prohibition under section 123A(2)(a) or (3) if as a result of the proposed variation or revocation an individual would no longer be prohibited from holding an office or position involving responsibility for taking decisions about the management of a PRA-authorised investment firm.

(4) In this section "PRA-authorised investment firm" means an investment firm which is a PRA-authorised person and carries on a regulated activity.**]**

Textual Amendments

F959 S. 127A inserted (3.7.2016) by The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **9(9)**

Miscellaneous

128 Suspension of investigations.

(1) If the **[**F944FCA**]** considers it desirable or expedient because of the exercise or possible exercise of a **[**F960relevant power**]**, it may direct a recognised investment exchange **[**F961, recognised clearing house or recognised CSD**]**—

(a) to terminate, suspend or limit the scope of any inquiry which the exchange **[**F962, clearing house or central securities depository**]** is conducting under its rules; or

(b) not to conduct an inquiry which the exchange **[**F963, clearing house or central securities depository**]** proposes to conduct under its rules.

(2) A direction under this section—

(a) must be given to the exchange **[**F964, clearing house or central securities depository**]** concerned by notice in writing; and

(b) is enforceable, on the application of the **[**F944FCA**]**, by injunction or, in Scotland, by an order under section 45 of the M4Court of Session Act 1988.

[F965(3) In this section "relevant power" means the FCA's power—

(a) to impose a penalty or publish a statement of censure under section 123;

(b) to impose a prohibition under section 123A;

(c) to impose a suspension or restriction under section 123B;

(d) to appoint a person to conduct an investigation under section 168 in a case falling within subsection (2)(d) of that section; or

(e) to appoint a person to conduct an investigation under section 169 (investigation etc in support of an overseas regulator) in a case falling within subsection (2A) of that section.**]**

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Textual Amendments

F944 Word in ss. 121-130A substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), Sch. 9 para. 9(1)**(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F960 Words in s. 128(1) substituted (3.7.2016) by The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **9(10)(a)**

F961 Words in s. 128(1) substituted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **2(4)(a)** (with regs. 7(4), 9(1))

F962 Words in s. 128(1)(a) substituted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **2(4)(b)** (with regs. 7(4), 9(1))

F963 Words in s. 128(1)(b) substituted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **2(4)(b)** (with regs. 7(4), 9(1))

F964 Words in s. 128(2)(a) substituted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **2(4)(b)** (with regs. 7(4), 9(1))

F965 S. 128(3) substituted (3.7.2016) by The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **9(10)(b)**

Marginal Citations

M4 1988 c. 36.

[F966129 Power of court to impose administrative sanctions in cases of market abuse

(1) The FCA may, on an application to the court under **[**F967Part 25 which relates to the market abuse regulation**]**, request the court to consider whether it is appropriate to impose one or more of the following on the person to whom the application relates—

(a) a penalty;

(b) if the person concerned is an individual, a temporary prohibition or a permanent prohibition; or

(c) a suspension or restriction.

(2) The court may, if it considers it appropriate, make an order which does one or more of the following—

(a) requires the person concerned to pay to the FCA a penalty of such amount as the court considers appropriate;

(b) if the person concerned is an individual, imposes a temporary prohibition or a permanent prohibition on that individual; or

(c) imposes a suspension or restriction on the person concerned.

(3) But the court may impose a permanent prohibition only where it is satisfied the person concerned has contravened Article 14 (prohibition of insider dealing and of unlawful disclosure of inside information) or Article 15 (prohibition of market manipulation) of the market abuse regulation.

(4) Section 123A(4) to (6) apply to a prohibition imposed by an order made under subsection (2) as they do to a prohibition under section 123A, but with—

(a) references to a prohibition under section 123A having effect as references to a prohibition under this section; and

(b) references to the FCA having effect as references to the court which makes the order under this section.

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(5) Section 123B(4) to (6) and (8) apply to a suspension or restriction imposed by an order under subsection (2) as they do to a suspension or restriction imposed under section 123B.

(6) The court may—

(a) vary or revoke a prohibition imposed under this section;

(b) withdraw a suspension or restriction imposed under this section; or

(c) vary a suspension or a restriction imposed under this section so as to reduce the period for which it has effect or otherwise to limit its effect.

(7) In this section—

F968 …

"permanent prohibition" means a permanent prohibition on an individual holding an office or position involving responsibility for taking decisions about the management of an investment firm;

"suspension or restriction" means—

(a) a suspension of any permission which a person has to carry on a regulated activity for such period as the court considers appropriate; or

(b) such limitations or other restrictions as the court considers appropriate in relation to the carrying on of a regulated activity by a person for such period as the court considers appropriate;

"temporary prohibition" means a temporary prohibition on an individual—

(a) holding an office or position involving responsibility for taking decisions about the management of an investment firm; F969...

(b) acquiring or disposing of financial instruments, whether on his or her own account or the account of a third party and whether directly or indirectly **[**F970; or

(c) making a bid, on his or her own account or the account of a third party, directly or indirectly, at an auction conducted by a recognised auction platform.**]**

[F971(8) For the meaning of "recognised auction platform" in this Part, see section 131AB.**]**

[F972(9) An application under Part 25 relates to the market abuse regulation if—

(a) it is made under section 380 or 382 and the relevant requirement for the purposes of that section is a requirement imposed by the market abuse regulation or **[**F973by supplementary market abuse legislation**]**; or

(b) it is made under section 381 or 383.**]]**

Textual Amendments

F966 S. 129 substituted (3.7.2016) by The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, 9(11)

F967 Words in s. 129(1) substituted (3.1.2018) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) (No.2) Regulations 2017 (S.I. 2017/1255), regs. 2(b), **3(2)(a)**

F968 Words in s. 129(7) omitted (3.1.2018) by virtue of The Financial Services and Markets Act 2000 (Markets in Financial Instruments) (No.2) Regulations 2017 (S.I. 2017/1255), regs. 2(b), **3(2)(b)**

F969 Word in s. 129(7) omitted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by virtue of The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 2 para. 16(2)(a)** (with reg. 7)

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F970 Words in s. 129(7) inserted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 2 para. 16(2)(b)** (with reg. 7)

F971 S. 129(8) inserted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 2 para. 16(3)** (with reg. 7)

F972 S. 129(9) inserted (3.1.2018) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) (No.2) Regulations 2017 (S.I. 2017/1255), regs. 2(b), **3(2)(c)**

F973 Words in s. 129(9)(a) substituted (31.12.2020) by The Market Abuse (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/310), regs. 1(3), **5(12)(c)**; 2020 c. 1, Sch. 5 para. 1(1)

130 Guidance.

[F974(1) The Treasury may from time to time issue written guidance for the purpose of helping relevant authorities to determine the action to be taken in cases where—

(a) it appears a person has contravened Article 14 (prohibition of insider dealing and of unlawful disclosure of inside information) or Article 15 (prohibition of market manipulation) of the market abuse regulation; and

(b) in so doing the person appears to have committed an offence under Part 7 of the Financial Services Act 2012 or Part 5 of the Criminal Justice Act 1993 (insider dealing).**]**

(2) The Treasury must obtain the consent of the Attorney General and the Secretary of State before issuing any guidance under this section.

(3) In this section "relevant authorities"—

(a) in relation to England and Wales, means the Secretary of State, the **[**F944FCA**]**, the Director of the Serious Fraud Office and the Director of Public Prosecutions;

(b) in relation to Northern Ireland, means the Secretary of State, the **[**F944FCA**]**, the Director of the Serious Fraud Office and the Director of Public Prosecutions for Northern Ireland.

(4) Subsections (1) to (3) do not apply to Scotland.

(5) In relation to Scotland, the Lord Advocate may from time to time, after consultation with the Treasury, issue written guidance for the purpose of helping the **[**F944FCA**]** to determine the action to be taken in cases **[**F975mentioned in subsection (1)**]**.

Textual Amendments

F944 Word in ss. 121-130A substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), Sch. 9 para. 9(1)**(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F974 S. 130(1) substituted (3.7.2016) by The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **9(12)(a)**

F975 Words in s. 130(5) substituted (3.7.2016) by The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **9(12)(b)**

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[F976]130A Interpretation and supplementary provision

. . . . . .

Textual Amendments

F976 S. 130A omitted (3.7.2016) by virtue of The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **9(13)**

131 Effect on transactions.

The imposition of a penalty under this Part does not make any transaction void or unenforceable.

[F977]131A Protected Disclosures

(1) A disclosure which satisfies the following three conditions is not to be taken to breach any restriction on the disclosure of information (however imposed).

(2) The first condition is that the information or other matter—

(a) causes the person making the disclosure (the discloser) to know or suspect, or

[F978(b) gives him reasonable grounds for knowing or suspecting that another person has engaged in market abuse**]**

[F979that another person has contravened Article 14 (prohibition of insider dealing and of unlawful disclosure of inside information) or Article 15 (prohibition of market manipulation) of the market abuse regulation**]**.

(3) The second condition is that the information or other matter disclosed came to the discloser in the course of his trade, profession, business or employment.

(4) The third condition is that the disclosure is made F980... to a nominated officer as soon as is practicable after the information or other matter comes to the discloser.

(5) A disclosure to a nominated officer is a disclosure which is made to a person nominated by the discloser's employer to receive disclosures under this section, and is made in the course of the discloser's employment and in accordance with the procedure established by the employer for the purpose.

(6) For the purposes of this section, references to a person's employer include any body, association or organisation (including a voluntary organisation) in connection with whose activities the person exercises a function (whether or not for gain or reward) and references to employment must be construed accordingly.**]**

Textual Amendments

F977 S. 131A inserted (1.7.2005) by The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2005 (S.I. 2005/381), regs. 1(2), 5, **Sch. 2 para. 4**

F978 S. 131A(2)(b) substituted (3.7.2016) by The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **9(14)(a)(i)**

F979 Words in s. 131A(2) inserted (3.7.2016) by The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **9(14)(a)(ii)**

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F980 Words in s. 131A(4) omitted (3.7.2016) by virtue of The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **9(14)(b)**

[F981 131AA Reporting of infringements

(1) This section applies to employers who—

(a) provide regulated financial services;

(b) carry on regulated activities in reliance on the exemption in section 327; or

(c) are recognised bodies F982... or third country central counterparties.

(2) Employers must have in place appropriate internal procedures for their employees to report contraventions of the market abuse regulation or any supplementary **[**F983market abuse legislation**]**.

(3) In this section—

"employee" and "employer" have the meaning given in section 230 of the Employment Rights Act 1996;

"recognised body" has the meaning given in section 313;

"regulated financial services" has the meaning given in section 1H.

Textual Amendments

F981 Ss. 131AA-131AE inserted (3.7.2016) by The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **9(15)**

F982 Words in s. 131AA(1)(c) omitted (31.12.2020) by virtue of The Market Abuse (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/310), regs. 1(3), **5(13)(a)**; 2020 c. 1, Sch. 5 para. 1(1)

F983 Words in s. 131AA(2) substituted (31.12.2020) by The Market Abuse (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/310), regs. 1(3), **5(13)(b)**; 2020 c. 1, Sch. 5 para. 1(1)

131AB. Interpretation

[In this Part— F984(1)**]**

F985...

[F986"emission allowance" **[**F987means emission allowance as described in paragraph 11 of Part 1 of Schedule 2 to the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001**]**;**]**

[F988**[**F989"financial instrument" means any instrument specified in Part 1 of Schedule 2 to the Financial Services and Markets Act 2000 (Regulated Activities) Order , read with Part 2 of that Schedule;**]]**

[F988"financial instrument" means any of the following—

(a) an instrument specified in Part 1 of Schedule 2 to the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001, read with Part 2 of that Schedule;

(b) a "qualifying cryptoasset" as defined by article 88F of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001;

(c) a "related instrument" as defined by regulation 17(1) of the Financial Services and Markets Act 2000 (Cryptoassets) Regulations 2026;**]**

[F990"issuer" has the meaning given in Article 3.1(21) of the market abuse regulation; and**]**

Status: *This version of this Act contains provisions that are prospective.*
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[[F990]"issuer" means—

(a) an issuer defined by Article 3.1(21) of the market abuse regulation, or

(b) a "relevant person" as defined by regulation 17(4) of the Financial Services and Markets Act 2000 (Cryptoassets) Regulations 2026; and**]**

[[F986]"recognised auction platform" has the meaning given in regulation 1(3) of the Recognised Auction Platform Regulations 2011 (S.I. 2011/2699);**]**

[F991]…

[[F992](2) The following are supplementary market abuse legislation for the purposes of this Part—

(a) an EU regulation, originally made under the market abuse regulation, which is **[**[F993]assimilated direct**]** legislation; **[**[F994]and**]**

(b) subordinate legislation (within the meaning of the Interpretation Act 1978) made under the market abuse regulation on or after IP completion **[**[F995]day.**][**[F995]day; and**]**

[[F996](c) Chapter 2 of Part 2 of the Financial Services and Markets Act 2000 (Cryptoassets) Regulations 2026.**]]**

Textual Amendments

F981 Ss. 131AA-131AE inserted (3.7.2016) by The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **9(15)**

F984 S. 131AB renumbered as s. 131AB(1) (31.12.2020) by The Market Abuse (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/310), regs. 1(3), **5(14)(a)**; 2020 c. 1, Sch. 5 para. 1(1)

F985 Words in s. 131AB(1) omitted (31.12.2020) by virtue of The Market Abuse (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/310), regs. 1(3), **5(14)(b)(i)**; 2020 c. 1, Sch. 5 para. 1(1)

F986 Words in s. 131AB inserted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 2 para. 17(b)** (with reg. 7)

F987 Words in s. 131AB(1) substituted (22.4.2021) by The Recognised Auction Platforms (Amendment and Miscellaneous Provisions) Regulations 2021 (S.I. 2021/494), regs. 1(2), **2(3)**

F988 Words in s. 131AB(1) substituted (25.2.2026 for specified purposes) by The Financial Services and Markets Act 2000 (Cryptoassets) Regulations 2026 (S.I. 2026/102), regs. 1(2)(3), **41(2)(a)(i)** (with regs. 53-56)

F989 Words in s. 131AB(1) substituted (31.12.2020) by The Market Abuse (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/310), regs. 1(3), **5(14)(b)(ii)**; 2020 c. 1, Sch. 5 para. 1(1)

F990 Words in s. 131AB(1) substituted (25.2.2026 for specified purposes) by The Financial Services and Markets Act 2000 (Cryptoassets) Regulations 2026 (S.I. 2026/102), regs. 1(2)(3), **41(2)(a)(ii)** (with regs. 53-56)

F991 Words in s. 131AB(1) omitted (31.12.2020) by virtue of The Market Abuse (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/310), regs. 1(3), **5(14)(b)(iv)**; 2020 c. 1, Sch. 5 para. 1(1)

F992 S. 131AB(2) inserted (31.12.2020) by The Market Abuse (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/310), regs. 1(3), **5(14)(c)** (as amended by S.I. 2020/1301, regs. 1, 3, **Sch. para. 17(b)**); 2020 c. 1, **Sch. 5 para. 1(1)**

F993 Words in s. 131AB(2)(a) substituted (1.1.2024) by The Retained EU Law (Revocation and Reform) Act 2023 (Consequential Amendment) Regulations 2023 (S.I. 2023/1424), reg. 1(2), **Sch. para. 44(4)(e)**

F994 Word in s. 131AB(2)(a) omitted (25.2.2026 for specified purposes) by virtue of The Financial Services and Markets Act 2000 (Cryptoassets) Regulations 2026 (S.I. 2026/102), regs. 1(2)(3), **41(2)(b)(i)** (with regs. 53-56)

Status: *This version of this Act contains provisions that are prospective.*
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F995 Words in s. 131AB(2)(b) substituted (25.2.2026 for specified purposes) by The Financial Services and Markets Act 2000 (Cryptoassets) Regulations 2026 (S.I. 2026/102), regs. 1(2)(3), **41(2)(b)(ii)** (with regs. 53-56)

F996 S. 131AB(2)(c) inserted (25.2.2026 for specified purposes) by The Financial Services and Markets Act 2000 (Cryptoassets) Regulations 2026 (S.I. 2026/102), regs. 1(2)(3), **41(2)(b)(iii)** (with regs. 53-56)

131AC. Meaning of "persons closely associated" in the market abuse regulation

(1) In Article 3.1(26)(a) (definitions) of the market abuse regulation "partner considered to be equivalent to a spouse" includes a civil partner.

(2) In Article 3.1(26)(b) of the market abuse regulation "dependent child" means a child who—

(a) is under the age of 18 years;

(b) is unmarried; and

(c) does not have a civil partner.

(3) In this section "child" includes a stepchild.

Textual Amendments

F981 Ss. 131AA-131AE inserted (3.7.2016) by The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **9(15)**

131AD. Individual liability in respect of legal persons under Articles 8 and 12 of the market abuse regulation

(1) An individual participates in a decision by a body corporate for the purposes of Article 8.5 (insider dealing) or Article 12.4 (market manipulation) of the market abuse regulation where—

(a) the individual was an officer of the body corporate when the decision was made; and

(b) the FCA are satisfied that the individual was knowingly concerned in the decision.

(2) In this section "officer", in relation to a body corporate, means–

(a) a director, member of the committee of management, chief executive, manager, secretary or other similar officer of the body, or a person purporting to act in any such capacity; or

(b) an individual who is a controller of the body.

Textual Amendments

F981 Ss. 131AA-131AE inserted (3.7.2016) by The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **9(15)**

131AE. Liability for contraventions of Article 14 or 15 of the market abuse regulation

For the purposes of any enactment a person contravenes Article 14 (prohibition of insider dealing and of unlawful disclosure of inside information) or Article 15

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(prohibition of market manipulation) whether the contravention is by that person alone or by that person and one or more other persons jointly or in concert.**]**

Textual Amendments

F981 Ss. 131AA-131AE inserted (3.7.2016) by The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **9(15)**

[F997[F998PART 8A

SHORT SELLING

Textual Amendments

F997 Pt. 8A inserted (8.6.2010) by Financial Services Act 2010 (c. 28), **ss. 8**, 26(2)(b)

F998 Pt. 8A omitted (14.1.2025 for specified purposes) by virtue of The Short Selling Regulations 2025 (S.I. 2025/29), reg. 2(2)(3), **Sch. 2 para. 1(2)** (with reg. 27)

Short selling rules

F999 131B Short selling rules

. . . . . .

Textual Amendments

F999 Ss. 131B-131D repealed (1.11.2012) by The Financial Services and Markets Act 2000 (Short Selling) Regulations 2012 (S.I. 2012/2554), regs. 1(1), **2(2)** (with reg. 7)

F999 131C Short selling rules: definitions etc

. . . . . .

Textual Amendments

F999 Ss. 131B-131D repealed (1.11.2012) by The Financial Services and Markets Act 2000 (Short Selling) Regulations 2012 (S.I. 2012/2554), regs. 1(1), **2(2)** (with reg. 7)

F999 131D Short selling rules: procedure in urgent cases

. . . . . .

Textual Amendments

F999 Ss. 131B-131D repealed (1.11.2012) by The Financial Services and Markets Act 2000 (Short Selling) Regulations 2012 (S.I. 2012/2554), regs. 1(1), **2(2)** (with reg. 7)

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Power to require information

131E Power to require information

(1) The **[**[F1000]FCA**]** may, by notice in writing, require a person [F1001]...—

(a) to provide specified information or information of a specified description; or

(b) to produce specified documents or documents of a specified description.

(2) This section applies only to information and documents that the **[**[F1000]FCA**]** reasonably requires for the purpose of **[**[F1002]the exercise by it of functions under the short selling regulation**]****[**[F1003]or to respond to a request referred to in subsection (5A)**]**.

(3) Information or documents required under this section must be provided or produced—

(a) before the end of such reasonable period as may be specified; and

(b) at such place as may be specified.

(4) The **[**[F1000]FCA**]** may require any information provided under this section to be provided in such form as it may reasonably require.

(5) The **[**[F1000]FCA**]** may require—

(a) any information provided, whether in a document or otherwise, to be verified in such manner as it may reasonably require; or

(b) any document produced to be authenticated in such manner as it may reasonably require.

[[F1004](5A) The **[**[F1000]FCA's**]** powers under this section may be exercised on a request made in the exercise of **[**[F1005]relevant functions**]** by—

[[F1006](a) an overseas regulator, or**]**

(b) ESMA.

[F1007](5B) . . . . . .**]**

[[F1008](6) In this section—

"overseas regulator" means—

(a) the competent authority of an EEA State for the purposes of the short selling regulation, as that regulation has effect in the European Union (the "EU short selling regulation"); or

(b) the authority of a third country which is not an EEA State which exercises functions corresponding to those of a competent authority under the EU short selling regulation;

"relevant functions" means—

(a) in relation to a competent authority of an EEA State, its functions under the EU short selling regulation;

(b) in relation to ESMA, its functions under the EU short selling regulation;

(c) in relation to an authority of a third country which is not an EEA state, its functions corresponding to the functions referred to in paragraph (a);

"specified" means specified in the notice.**]**

[F1009](7) . . . . . .

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Textual Amendments

F1000 Word in Pt. 8A substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 25(1)**, 122(3) (with s. 25(2), Sch. 20); S.I. 2013/423, art. 3, Sch.

F1001 Word in s. 131E(1) omitted (1.11.2012) by virtue of The Financial Services and Markets Act 2000 (Short Selling) Regulations 2012 (S.I. 2012/2554), regs. 1(1), **2(3)(a)**

F1002 Words in s. 131E(2) substituted (1.11.2012) by The Financial Services and Markets Act 2000 (Short Selling) Regulations 2012 (S.I. 2012/2554), regs. 1(1), **2(3)(b)**

F1003 Words in s. 131E(2) inserted (31.12.2020) by The Short Selling (Amendment) (EU Exit) Regulations 2018 (S.I. 2018/1321), regs. 1(2), **2(2)(a)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F1004 S. 131E(5A)(5B) inserted (1.11.2012) by The Financial Services and Markets Act 2000 (Short Selling) Regulations 2012 (S.I. 2012/2554), regs. 1(1), **2(3)(c)**

F1005 Words in s. 131E(5A) substituted (31.12.2020) by The Short Selling (Amendment) (EU Exit) Regulations 2018 (S.I. 2018/1321), regs. 1(2), **2(2)(b)(i)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F1006 S. 131E(5A)(a) substituted (31.12.2020) by The Short Selling (Amendment) (EU Exit) Regulations 2018 (S.I. 2018/1321), regs. 1(2), **2(2)(b)(ii)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F1007 S. 131E(5B) omitted (31.12.2020) by virtue of The Short Selling (Amendment) (EU Exit) Regulations 2018 (S.I. 2018/1321), regs. 1(2), **2(2)(c)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F1008 S. 131E(6) substituted (31.12.2020) by The Short Selling (Amendment) (EU Exit) Regulations 2018 (S.I. 2018/1321), regs. 1(2), **2(2)(d)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F1009 S. 131E(7) omitted (1.11.2012) by virtue of The Financial Services and Markets Act 2000 (Short Selling) Regulations 2012 (S.I. 2012/2554), regs. 1(1), **2(3)(d)**

131F Power to require information: supplementary

F1010(1) . . . . . .

(2) If a document is produced in response to a requirement imposed under section 131E, the **[**F1000FCA**]** may—

(a) take copies of or extracts from the document; or

(b) require the person producing the document, or any relevant person, to provide an explanation of the document.

(3) In subsection (2)(b) " relevant person ", in relation to a person who is required to produce a document, means a person who—

(a) has been or is or is proposed to be a director or controller of that person;

(b) has been or is an auditor of that person;

(c) has been or is an actuary, accountant or lawyer appointed or instructed by that person; or

(d) has been or is an employee of that person.

(4) If a person who is required under section 131E to produce a document fails to do so, the **[**F1000FCA**]** may require the person to state, to the best of the person's knowledge and belief, where the document is.

(5) A lawyer may be required under section 131E to provide the name and address of the lawyer's client.

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(6) A person ("P") may not be required under section 131E to disclose information or produce a document in respect of which P owes an obligation of confidence by virtue of carrying on the business of banking unless—

[[F1011](a) the **[**[F1000]FCA**]** suspects that P or a member of P's group has contravened any provision of the short selling regulation;**]**

[[F1011](b) the **[**[F1000]FCA**]** suspects that the person to whom the obligation of confidence is owed or a member of that person's group has contravened any provision of the short selling regulation; or **]**

(c) the person to whom the obligation of confidence is owed consents to the disclosure or production.

[[F1012](6A) Where the FCA is exercising its powers under section 131E in response to a request from an overseas regulator or ESMA, references to the short selling regulation are to be read as including the EU short selling regulation, within the meaning of section 131E(6).**]**

(7) If a person claims a lien on a document, its production under section 131E does not affect the lien.

Textual Amendments

F1000 Word in Pt. 8A substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 25(1)**, 122(3) (with s. 25(2), Sch. 20); S.I. 2013/423, art. 3, Sch.

F1010 S. 131F(1) omitted (1.11.2012) by virtue of The Financial Services and Markets Act 2000 (Short Selling) Regulations 2012 (S.I. 2012/2554), regs. 1(1), **2(4)(a)**

F1011 S. 131F(6)(a)(b) substituted (1.11.2012) by The Financial Services and Markets Act 2000 (Short Selling) Regulations 2012 (S.I. 2012/2554), regs. 1(1), **2(4)(b)**

F1012 S. 131F(6A) inserted (31.12.2020) by The Short Selling (Amendment) (EU Exit) Regulations 2018 (S.I. 2018/1321), regs. 1(2), **2(3)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

[[F1013]131FA Investigations in support of **[**[F1014]overseas] regulator**

[[F1015](1) The FCA may appoint one or more competent persons to investigate any matter if it is requested to do so by—

(a) the competent authority of an EEA state acting in the exercise of its functions under the short selling regulation, as that regulation has effect in the European Union; or

(b) an authority of a third country which is not an EEA state which is acting in the exercise of functions corresponding to those referred to in paragraph (a).**]**

[F1016](2) . . . . . .

(3) Sections 170 to 177 (which relate to investigations) apply in relation to an investigator appointed under subsection (1) as they apply in relation to an investigator appointed under section 168(5).

(4) The **[**[F1000]FCA**]** may direct an investigator appointed under subsection (1) to permit a representative of **[**[F1017]the authority making the request under subsection (1) ("the requesting regulator")**]** to attend, and take part in, any interview conducted for the purposes of the investigation.

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(5) The **[**F1000FCA**]** is not to give a direction under subsection (4) unless it is satisfied that any information obtained by the **[**F1018requesting**]** regulator" as a result of the interview will be subject to safeguards equivalent to those contained in Part 23.

(6) The **[**F1000FCA**]** must prepare a statement of its policy with respect to the conduct of interviews in relation to which a direction under subsection (4) has been given.

(7) The statement requires the approval of the Treasury.

(8) If the Treasury approve the statement, the **[**F1000FCA**]** must publish it.

(9) No direction may be given under subsection (4) before the statement has been published.

(10) The **[**F1000FCA**]** may at any time alter or replace a statement issued under subsection (6), and subsections (7) and (8) apply to an altered statement or to a replacement statement.

Textual Amendments

F1000 Word in Pt. 8A substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 25(1)**, 122(3) (with s. 25(2), Sch. 20); S.I. 2013/423, art. 3, Sch.

F1013 Ss. 131FA-131FC inserted (1.11.2012) by The Financial Services and Markets Act 2000 (Short Selling) Regulations 2012 (S.I. 2012/2554), regs. 1(1), **2(5)**

F1014 Word in s. 131FA heading substituted (31.12.2020) by The Short Selling (Amendment) (EU Exit) Regulations 2018 (S.I. 2018/1321), regs. 1(2), **2(4)(e)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F1015 S. 131FA(1) substituted (31.12.2020) by The Short Selling (Amendment) (EU Exit) Regulations 2018 (S.I. 2018/1321), regs. 1(2), **2(4)(a)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F1016 S. 131FA(2) omitted (31.12.2020) by virtue of The Short Selling (Amendment) (EU Exit) Regulations 2018 (S.I. 2018/1321), regs. 1(2), **2(4)(b)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F1017 Words in s. 131FA(4) substituted (31.12.2020) by The Short Selling (Amendment) (EU Exit) Regulations 2018 (S.I. 2018/1321), regs. 1(2), **2(4)(c)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F1018 Word in s. 131FA(5) substituted (31.12.2020) by The Short Selling (Amendment) (EU Exit) Regulations 2018 (S.I. 2018/1321), regs. 1(2), **2(4)(d)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

131FB. Entry of premises under warrant

(1) A justice of the peace may issue a warrant under this section if satisfied on information on oath given by or on behalf of the **[**F1000FCA**]** that there are reasonable grounds for believing that the conditions in subsection (2) are satisfied.

(2) The conditions are—

(a) that a relevant person on whom a requirement has been imposed under section 131E or 131F has failed (wholly or in part) to comply with it; and

(b) that on the premises specified in the warrant—

(i) there are documents which have been required; or

(ii) there is information which has been required.

(3) A warrant under this section shall authorise a constable—

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(a) to enter the premises specified in the warrant;

(b) to search the premises and take possession of any documents or information appearing to be documents or information of a kind in respect of which a warrant under this section was issued ("the relevant kind") or to take, in relation to any such documents or information, any other steps which may appear to be necessary for preserving them or preventing interference with them;

(c) to take copies of, or extracts from, any documents or information appearing to be of the relevant kind;

(d) to require any person on the premises to provide an explanation of any document or information appearing to be of the relevant kind or to state where it may be found; and

(e) to use such force as may be reasonably necessary.

(4) A warrant under this section may be executed by any constable.

(5) The warrant may authorise persons to accompany any constable who is executing it.

(6) The powers in subsection (3) may be exercised by a person authorised by the warrant to accompany a constable; but that person may exercise those powers only in the company of, and under the supervision of, a constable.

(7) In England and Wales, sections 15(5) to (8) and 16(3) to (12) of the Police and Criminal Evidence Act 1984 (execution of search warrants and safeguards) apply to warrants issued under this section.

(8) In Northern Ireland, Articles 17(5) to (8) and 18(3) to (12) of the Police and Criminal Evidence (Northern Ireland) Order 1989 apply to warrants issued under this section.

(9) In the application of this section to Scotland—

(a) for the reference to a justice of the peace substitute a reference to a justice of the peace or a sheriff; and

(b) for the references to information on oath substitute references to evidence on oath.

(10) The **[**F1000FCA**]** may give information under subsection (1) or under section 176(1) at the request of an **[**F1019overseas**]** regulator where the regulator makes the request in the exercise of **[**F1020relevant functions**]**.

F1021(11) . . . . . .

(12) In this section—

[F1022"overseas regulator" and "relevant functions" have the meanings given in section 131E(6);**]**

"relevant person" means—

(a) an authorised person,

(b) a person who has been an authorised person,

(c) a person who is for the purposes of section 165 connected with an authorised person or with a person within paragraph (b).

Textual Amendments

F1000 Word in Pt. 8A substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 25(1)**, 122(3) (with s. 25(2), Sch. 20); S.I. 2013/423, art. 3, Sch.

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F1013 Ss. 131FA-131FC inserted (1.11.2012) by The Financial Services and Markets Act 2000 (Short Selling) Regulations 2012 (S.I. 2012/2554), regs. 1(1), **2(5)**
F1019 Word in s. 131FB(10) substituted (31.12.2020) by The Short Selling (Amendment) (EU Exit) Regulations 2018 (S.I. 2018/1321), regs. 1(2), **2(5)(a)(i)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)
F1020 Words in s. 131FB(10) substituted (31.12.2020) by The Short Selling (Amendment) (EU Exit) Regulations 2018 (S.I. 2018/1321), regs. 1(2), **2(5)(a)(ii)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)
F1021 S. 131FB(11) omitted (31.12.2020) by virtue of The Short Selling (Amendment) (EU Exit) Regulations 2018 (S.I. 2018/1321), regs. 1(2), **2(5)(b)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)
F1022 Words in s. 131FB(12) substituted (31.12.2020) by The Short Selling (Amendment) (EU Exit) Regulations 2018 (S.I. 2018/1321), regs. 1(2), **2(5)(c)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

131FC. Retention of documents taken under section 131FB

(1) Any document of which possession is taken under section 131FB ("a seized document") may be retained so long as it is necessary to retain it (rather than copies of it) in the circumstances.

(2) A person claiming to be the owner of a seized document may apply to a magistrates' court or (in Scotland) the sheriff for an order for the delivery of the document to the person appearing to the court or sheriff to be the owner.

(3) If on an application under subsection (2) the court or (in Scotland) the sheriff cannot ascertain who is the owner of the seized document the court or sheriff (as the case may be) may make such order as the court or sheriff thinks fit.

(4) An order under subsection (2) or (3) does not affect the right of any person to take legal proceedings against any person in possession of a seized document for the recovery of the document.

(5) Any right to bring proceedings (as described in subsection (4)) may only be exercised within 6 months of the date of the order made under subsection (2) or (3).**]**

Textual Amendments
F1013 Ss. 131FA-131FC inserted (1.11.2012) by The Financial Services and Markets Act 2000 (Short Selling) Regulations 2012 (S.I. 2012/2554), regs. 1(1), **2(5)**

Breach of short selling ***[****F1023**regulation**]**etc

Textual Amendments
F1023 Word in cross-heading preceding s. 131G substituted (1.11.2012) by The Financial Services and Markets Act 2000 (Short Selling) Regulations 2012 (S.I. 2012/2554), regs. 1(1), **2(6)**

131G Power to impose penalty or issue censure

(1) This section applies if the **[**F1000FCA**]** is satisfied that a person has contravened—

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(a) any provision of **[**F1024 the short selling regulation**]** ; or
(b) any requirement imposed on the person under section 131E or 131F.

(2) The **[**F1000FCA**]** may impose a penalty of such amount as it considers appropriate on—
(a) the person who contravened the provision or requirement; or
(b) any person who was knowingly concerned in the contravention.

(3) It may, instead of imposing a penalty on a person, publish a statement censuring the person.

(4) The **[**F1000FCA**]** may not take action against a person under this section after the end of the limitation period unless, before the end of that period, it has given a warning notice to the person under section 131H.

(5) " The limitation period " means the period of three years beginning with the first day on which the **[**F1000FCA**]** knew of the contravention.

(6) For this purpose the **[**F1000FCA**]** is to be treated as knowing of a contravention if it has information from which the contravention can reasonably be inferred.

Textual Amendments

F1000 Word in Pt. 8A substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 25(1)**, 122(3) (with s. 25(2), Sch. 20); S.I. 2013/423, art. 3, Sch.

F1024 Words in s. 131G(1)(a) substituted (1.11.2012) by The Financial Services and Markets Act 2000 (Short Selling) Regulations 2012 (S.I. 2012/2554), regs. 1(1), **2(7)**

131H Procedure and right to refer to Tribunal

(1) If the **[**F1000FCA**]** proposes to take action against a person under section 131G, it must give the person a warning notice.

(2) A warning notice about a proposal to impose a penalty must state the amount of the penalty.

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

(4) If the **[**F1000FCA**]** decides to take action against a person under section 131G, it must give the person a decision notice.

(5) A decision notice about the imposition of a penalty must state the amount of the penalty.

(6) A decision notice about the publication of a statement must set out the terms of the statement.

(7) If the **[**F1000FCA**]** decides to take action against a person under section 131G, the person may refer the matter to the Tribunal.

Textual Amendments

F1000 Word in Pt. 8A substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 25(1)**, 122(3) (with s. 25(2), Sch. 20); S.I. 2013/423, art. 3, Sch.

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131I Duty on publication of statement

After a statement under section 131G(3) is published, the **[**[F1000]FCA**]** must send a copy of the statement to—

(a) the person in respect of whom it is made; and

(b) any person to whom a copy of the decision notice was given under section 393(4).

Textual Amendments

F1000 Word in Pt. 8A substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 25(1)**, 122(3) (with s. 25(2), Sch. 20); S.I. 2013/423, art. 3, Sch.

131J Imposition of penalties under section 131G: statement of policy

(1) The **[**[F1000]FCA**]** must prepare and issue a statement of its policy with respect to—

(a) the imposition of penalties under section 131G; and

(b) the amount of penalties under that section.

(2) The **[**[F1000]FCA's**]** policy in determining what the amount of a penalty should be must include having regard to—

(a) the seriousness of the contravention;

(b) the extent to which the contravention was deliberate or reckless; and

(c) whether the person on whom the penalty is to be imposed is an individual.

(3) The **[**[F1000]FCA**]** may at any time alter or replace a statement issued under this section.

(4) If a statement issued under this section is altered or replaced, the **[**[F1000]FCA**]** must issue the altered or replaced statement.

(5) The **[**[F1000]FCA**]** must, without delay, give the Treasury a copy of any statement which it publishes under this section.

(6) A statement issued under this section must be published by the **[**[F1000]FCA**]** in the way appearing to the **[**[F1000]FCA**]** to be best calculated to bring it to the attention of the public.

(7) The **[**[F1000]FCA**]** may charge a reasonable fee for providing a person with a copy of the statement.

(8) In exercising, or deciding whether to exercise, a power under section 131G in the case of any particular contravention, the **[**[F1000]FCA**]** must have regard to any statement of policy published under this section and in force at a time when the contravention occurred.

Textual Amendments

F1000 Word in Pt. 8A substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 25(1)**, 122(3) (with s. 25(2), Sch. 20); S.I. 2013/423, art. 3, Sch.

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131K Statement of policy: procedure

(1) Before issuing a statement under section 131J, the **[**[F1000]FCA**]** must publish a draft of the proposed statement in the way appearing to the **[**[F1000]FCA**]** to be best calculated to bring it to the attention of the public.

(2) The draft must be accompanied by notice that representations about the proposal may be made to the **[**[F1000]FCA**]** within a specified time.

(3) Before issuing the proposed statement, the **[**[F1000]FCA**]** must have regard to any representations made to it in accordance with subsection (2).

(4) If the **[**[F1000]FCA**]** issues the proposed statement it must publish an account, in general terms, of—

(a) the representations made to it in accordance with subsection (2); and

(b) its response to them.

(5) If the statement differs from the draft published under subsection (1) in a way which is, in the opinion of the **[**[F1000]FCA**]**, significant, the **[**[F1000]FCA**]** must (in addition to complying with subsection (4)) publish details of the difference.

(6) The **[**[F1000]FCA**]** may charge a reasonable fee for providing a person with a copy of a draft published under subsection (1).

(7) This section also applies to a proposal to alter or replace a statement.**]**

Textual Amendments

F1000 Word in Pt. 8A substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 25(1)**, 122(3) (with s. 25(2), Sch. 20); S.I. 2013/423, art. 3, Sch.

[[F1025]131L Offences

(1) If a relevant person ("A") fails to comply with a requirement imposed on A under section 131E or 131F the **[**[F1000]FCA**]** may certify that fact in writing to the court.

(2) If the court is satisfied that A failed without reasonable excuse to comply with the requirement, it may deal with A (and where A is a body corporate, any director or officer) as if A (or as the case may be the director or officer) were in contempt; and "officer", in relation to a limited liability partnership, means a member of the limited liability partnership.

(3) A relevant person ("B") who, in purported compliance with a requirement imposed on B under section 131E or 131F—

(a) provides information which B knows to be false or misleading in a material particular, or

(b) recklessly provides information which is false or misleading in a material particular,

is guilty of an offence.

(4) A person guilty of an offence under subsection (3) is liable—

(a) on summary conviction, to imprisonment for a term not exceeding three months or a fine not exceeding the statutory maximum, or both;

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(b) on conviction on indictment, to imprisonment for a term not exceeding two years or a fine, or both.

(5) Any person who intentionally obstructs the exercise of any rights conferred by a warrant under section 131FB is guilty of an offence and liable on summary conviction to imprisonment for a term not exceeding three months or a fine not exceeding level 5 on the standard scale, or both.

(6) In relation to any contravention by a person, the **[**F1000FCA**]** may not exercise both—

(a) its powers under section 131G(2), and

(b) its powers under subsection (1).

(7) In this section—

"court" means—

(a) the High Court;

(b) in Scotland, the Court of Session;

"relevant person" means—

(a) an authorised person,

(b) a person who has been an authorised person,

(c) a person who is for the purposes of section 165 connected with an authorised person or with a person within paragraph (b).**]]**

Textual Amendments

F1000 Word in Pt. 8A substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 25(1)**, 122(3) (with s. 25(2), Sch. 20); S.I. 2013/423, art. 3, Sch.

F1025 S. 131L inserted (1.11.2012) by The Financial Services and Markets Act 2000 (Short Selling) Regulations 2012 (S.I. 2012/2554), regs. 1(1), **2(8)**

[F1026**PART 8B**

CASH ACCESS SERVICES

Textual Amendments

F1026 Pt. 8B inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), s. 86(2)(c), **Sch. 8 para. 1**

Introductory

131M Overview

This Part—

(a) requires the Treasury to publish a statement of policy concerning cash deposit and withdrawal services,

(b) enables the Treasury to designate persons involved in the provision of such services, and

(c) gives the FCA functions in relation to designated persons.

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131N Cash access services and coordination arrangements

(1) This section defines "cash", "cash access service", "free cash access service" and "cash access coordination arrangements" for the purposes of this Part.

(2) "Cash" means—

(a) banknotes issued by the Bank of England, or an authorised bank in its capacity as an issuer of banknotes in Scotland or Northern Ireland (see Part 6 of the Banking Act 2009), or

(b) coins made by the Mint, within the meaning of the Coinage Act 1971 (see section 11 of that Act).

(3) A "cash access service" is—

(a) a service which enables cash to be placed on a relevant current account (a "cash deposit service"), or

(b) a service which enables cash to be withdrawn from a relevant current account (a "cash withdrawal service").

(4) A "free cash access service" is a cash access service that is—

(a) a free of charge service which enables cash to be placed on a relevant personal current account, or

(b) a free of charge service which enables cash to be withdrawn from a relevant personal current account.

(5) "Cash access coordination arrangements" are arrangements—

(a) which are designed to coordinate the provision of cash access services by two or more providers of such services, but

(b) which do not directly provide cash access services to any person.

(6) In relation to cash access coordination arrangements—

(a) a reference to the "operator" of such arrangements is to any person with responsibility under the arrangements for managing or operating them;

(b) a reference to the operation of such arrangements includes their management.

(7) In this section, "relevant current account" has the meaning given by section 131O.

131O Current accounts and relevant current account providers

(1) This section defines "current account", "relevant current account", "relevant personal current account" and "relevant current account provider" for the purposes of this Part.

(2) "Current account" means an account by means of which one or more named persons are able to—

(a) place cash,

(b) withdraw cash, and

(c) execute and receive payment transactions to and from third parties, including the execution of credit transfers.

(3) For the purposes of subsection (2)(c), "payment transaction" means an act initiated by the payer or payee, or on behalf of the payer, of placing, transferring or withdrawing funds, irrespective of any underlying obligations between the payer and payee.

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(4) A "relevant personal current account" means a relevant current account held by one or more individuals for purposes outside any business, trade, craft or profession of that individual or those individuals.

(5) "Relevant current account provider" means a person—

(a) who has a Part 4A permission to accept deposits, and

(b) who provides current accounts in reliance on that permission ("relevant current accounts").

(6) But the following are not relevant current account providers—

(a) credit unions, within the meaning given by section 31(1) of the Credit Unions Act 1979 or Article 2(2) of the Credit Unions (Northern Ireland) Order 1985 (S.I. 1985/1205)(N.I.12);

(b) a society that is registered within the meaning of the Friendly Societies Act 1974 (see section 111(1) of that Act) or incorporated under the Friendly Societies Act 1992.

(7) The Treasury may by regulations—

(a) amend a definition in this section;

(b) amend any other provision of this Part in consequence of provision made under paragraph (a).

Cash access policy statement

131P Cash access policy statement

(1) The Treasury must prepare a cash access policy statement.

(2) A "cash access policy statement" is a statement of the policies of His Majesty's Government concerning cash access services in the United Kingdom, or a part of the United Kingdom.

(3) The reference to cash access services in subsection (2) includes free cash access services.

(4) Policies may be stated in relation to, among other things—

(a) cash deposit services and cash withdrawal services;

(b) services provided in relation to current accounts of different descriptions;

(c) services provided in predominantly urban areas and services provided in predominantly rural areas.

(5) In preparing a cash access policy statement, the Treasury must—

(a) consult the FCA, and

(b) have regard to any report provided under section 131Q.

(6) The Treasury must publish a cash access policy statement in such manner as they consider appropriate.

(7) The Treasury—

(a) must keep the cash access policy statement under review;

(b) may prepare a revised statement (and subsections (5) and (6) apply in relation to any revised statement).

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131Q Provision of reports to assist the Treasury

(1) The FCA must, on a request from the Treasury, prepare and send to the Treasury a report on a matter specified in the request.

(2) The Treasury may only make a request under this section for a report that they reasonably require in connection with—

(a) the preparation of a cash access policy statement (see section 131P), or

(b) a decision whether or not to designate a person for the purposes of this Part (see section 131R).

(3) A request for a report under this section—

(a) must be made in writing, and

(b) may require the FCA to send the report to the Treasury within such reasonable period as may be specified in the request (or such other period as may be agreed).

(4) Nothing in section 348, or in regulations made under section 349, is to be taken as preventing or restricting the ability of the FCA to disclose information to the Treasury for the purposes of this section.

(5) Subsection (4) does not apply in relation to information provided to the FCA by a regulatory authority outside the United Kingdom.

Designation

131R Designation

(1) The Treasury may designate a person for the purposes of this Part if the person is—

(a) a relevant current account provider, or

(b) an operator of cash access coordination arrangements, and at least one of the participants in the arrangements is a relevant current account provider designated under this section.

(2) A person is designated by giving the person (the "designated person") a notice in accordance with this Part (a "designation notice").

(3) A designation notice must specify whether the person is designated in relation to—

(a) the United Kingdom,

(b) Great Britain only, or

(c) Northern Ireland only.

(4) A designation notice given to the operator of cash access coordination arrangements must specify the arrangements in as much detail as is reasonably practicable.

(5) Before giving a designation notice to a person the Treasury must—

(a) consult the FCA,

(b) notify the person, and

(c) consider any representations made.

(6) A designated person must—

(a) comply with rules made by the FCA under section 131V;

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(b) comply with directions given by the FCA to the designated person under section 131W.

131S Designation criteria

(1) The Treasury may designate a person for the purposes of this Part, in relation to the United Kingdom, Great Britain only, or Northern Ireland only (as the case may be), only if satisfied that doing so is likely to further the purpose mentioned in section 131U(1).

(2) In considering whether to designate a relevant current account provider, the Treasury must have regard to—

(a) the distribution of cash access services operated by the provider in the United Kingdom, Great Britain or Northern Ireland (as the case may be);

(b) the distribution in the United Kingdom, Great Britain or Northern Ireland (as the case may be) of persons holding current accounts provided by the provider;

(c) the provider's share of the current account market in the United Kingdom, Great Britain or Northern Ireland (as the case may be);

(d) the total value of the deposits held in current accounts provided by the provider in the United Kingdom, Great Britain or Northern Ireland (as the case may be).

(3) If a relevant current account provider is part of a group which includes one or more other relevant current account providers, references in subsection (2) to the provider are to be read as references to—

(a) the provider, and

(b) each of those other relevant current account providers.

(4) For the purposes of subsection (3), section 421 (meaning of "group") applies with the omission of subsection (1)(g) of that section.

131T Cancellation or variation of a designation notice

(1) If a designation notice has been given to a person the Treasury may, by further notice, cancel the designation notice.

(2) If a designation notice has been given to a person (including a designation notice as varied by a notice under this subsection), the Treasury may by further notice, vary the earlier notice.

(3) If a further notice under subsection (2) would designate a person in relation to a part of the United Kingdom in relation to which the person was not designated by the earlier notice, sections 131R(3) and (5) and 131S apply in relation to the further notice.

Supervision of designated persons

131U Purpose for which FCA must exercise functions under this Part

(1) The FCA must exercise its functions under this Part for the purpose of seeking to ensure reasonable provision of cash access services in the United Kingdom, or a part of the United Kingdom.

(2) In this section references to cash access services include references to free cash access services.

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(3) "Reasonable provision" of cash access services is provision of such nature and extent as the FCA may determine, having regard to—

(a) the cash access policy statement currently in effect (see section 131P), and

(b) such other matters as it considers appropriate.

(4) In making a determination for the purposes of subsection (3) the FCA must, in particular, have regard to any local deficiencies in provision of cash access services—

(a) which the FCA is aware of, and

(b) the impacts of which the FCA considers to be significant.

(5) A local deficiency in provision of cash access services is a circumstance which limits the ability of persons in any locality in a part of the United Kingdom to—

(a) withdraw cash from a relevant current account, or

(b) place cash on a relevant current account.

(6) In determining whether there are local deficiencies in the provision of cash access services, and the significance of the impacts of such deficiencies, the FCA must have regard to—

(a) the cash access policy statement currently in effect, and

(b) such other matters as it considers appropriate.

(7) Those other matters may include (but are not limited to)—

(a) the number of persons likely to be affected by the deficiency;

(b) the characteristics of the persons likely to be affected by the deficiency;

(c) the likely impact on the persons likely to be affected.

131V FCA rules

(1) The FCA may make such rules applying to designated persons as appear to the FCA to be necessary or expedient for the purpose mentioned in section 131U(1).

(2) Rules under this section must not require a designated person to do (or refrain from doing) any thing in relation to a part of the United Kingdom in relation to which the person is not designated.

(3) Section 137T (general supplementary powers for rules made by a regulator) applies in relation to rules made by the FCA under this section as if, in paragraph (a), the reference to descriptions of authorised persons, activity or investment were to descriptions of designated persons and activities carried on by such persons.

(4) Section 138A (modification or waiver of rules) applies in relation to rules made by the FCA under this section as if subsection (4)(b) were omitted.

(5) Section 138I (consultation by FCA before making rules) applies to rules under this section as if, in subsection (2)(d), the reference to the FCA's duties under section 1B(1) and (5)(a) were to the purpose for which the FCA must exercise its functions under this Part.

131W Power to direct designated persons

(1) The FCA may give a direction under this section to a designated person if it considers that it is desirable to give the direction for the purpose mentioned in section 131U(1).

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(2) A direction under this section must not require a designated person to do (or refrain from doing) any thing in relation to a part of the United Kingdom in relation to which the person is not designated.

(3) A direction under this section may require the person to—

(a) take specified action;

(b) refrain from taking specified action;

(c) review, or take remedial action in respect of, past conduct.

(4) A requirement imposed by a direction under this section may be expressed to expire at the end of a specified period, but the imposition of a requirement that expires at the end of a specified period does not affect the power to give a further direction imposing a new requirement.

(5) A direction under this section—

(a) may be revoked by the FCA by written notice to the person to whom it is given, and

(b) ceases to be in force if the person to whom it is given ceases to be a designated person.

131X Procedure for directions

(1) If the FCA proposes to give a direction under section 131W, or gives such a direction with immediate effect, it must give written notice to the designated person to whom the direction is given (or to be given).

(2) A direction under section 131W takes effect—

(a) immediately, if the notice under subsection (1) states that is the case,

(b) on such other date as may be specified in the notice, or

(c) if no date is specified in the notice, when the matter to which the notice relates is no longer open to review.

(3) A direction under section 131W may be expressed to take effect immediately (or on a specified date) only if the FCA reasonably considers that it is necessary for the direction to take effect immediately (or on that date).

(4) The notice under subsection (1) must—

(a) give details of the direction;

(b) state the FCA's reasons for the direction and for its determination as to when the direction takes effect;

(c) inform the designated person that the person may make representations to the FCA within such period as may be specified in the notice (whether or not the person has referred the matter to the Tribunal);

(d) inform the designated person of the person's right to refer the matter to the Tribunal.

(5) The FCA may extend the period allowed under the notice for making representations.

(6) The FCA must give the designated person written notice if, having considered any representations made by the person, it decides—

(a) to give the direction proposed;

(b) if the direction has been given, not to revoke the direction.

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(7) The FCA must give the designated person written notice if, having considered any representations made by the person, it decides—

(a) not to give the direction proposed;

(b) to give a different direction;

(c) to revoke a direction.

(8) A notice given under subsection (6) must inform the notified person of the person's right to refer the matter to the Tribunal.

(9) A notice under subsection (7)(b) must comply with subsection (4).

(10) If a notice informs the designated person of the person's right to refer a matter to the Tribunal, it must give an indication of the procedure on such a reference.

(11) For the purposes of subsection (2)(c), whether a matter is open to review is to be determined in accordance with section 391(8).

131Y Information gathering and investigations

(1) For the purposes of this Part, Part 11 (information gathering and investigations) applies in accordance with this section.

(2) Sections 165A to 165C, 169 and 169A do not apply.

(3) Any reference to an authorised person includes a person designated for the purposes of this Part (whether or not the person is an authorised person).

(4) In addition—

(a) references to an authorised person in sections 165 and 176(3A)(a) include a person mentioned in subsection (5) (whether or not the person is an authorised person);

(b) sections 175 to 177 apply in relation to section 165 as modified in accordance with paragraph (a).

(5) The persons are—

(a) a relevant current account provider who is not a designated person for the purposes of this Part;

(b) an operator of cash access coordination arrangements who is not a designated person for the purposes of this Part;

(c) the operator of, or an infrastructure provider in relation to, a payment system, who is not a designated person for the purposes of this Part;

(d) a person (other than a person mentioned in paragraph (a), (b) or (c)) who provides cash access services and is not a designated person for the purposes of this Part;

(e) a person who provides a relevant service to a person mentioned in paragraph (a), (b), (c) or (d) and is not a designated person for the purposes of this Part.

(6) In subsection (5)(c), "payment system", and "operator" and "infrastructure provider" in relation to a payment system, have the same meanings as in Part 5 of the Financial Services (Banking Reform) Act 2013 (see section 110 of that Act).

(7) For the purposes of subsection (5)(e), a "relevant service" is a service provided in connection with the provision of cash access services.

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(8) In relation to a person who is not an authorised person but is treated as such for the purposes of this Part (by virtue of subsection (3) or (4)), any reference to "either regulator" is to the FCA only.

131Z Disciplinary measures

For the purposes of enforcing a requirement imposed by or under this Part, Part 14 (disciplinary measures) applies as if—

(a) any reference to an authorised person includes a person designated for the purposes of this Part (whether or not that person is an authorised person), and

(b) section 206A (suspending permission to carry on regulated activities etc) were omitted.

131Z1 Costs of supervision

Rules made under paragraph 23 of Schedule 1ZA, in connection with the carrying out of any of the FCA's functions under this Part, must not provide for the payment of fees to the FCA by any person other than a designated person who is a relevant current account provider.

131Z2 Exclusion and modification of other FCA duties

(1) Where the FCA is discharging a function under this Part, section 1B (FCA's general duties) applies as if—

(a) in subsection (1)(b), the reference to one or more of the FCA's operational objectives were to the purpose mentioned in section 131U(1);

(b) subsections (4) and (4A) (promoting effective competition in the interests of consumers and advancing competitiveness and growth) do not apply.

(2) In discharging its functions under this Part, the regulatory principles in section 3B(1) have effect as if, in paragraph (g), the reference to the FCA's objectives included the purpose mentioned in section 131U(1).

(3) Section 395 applies in relation to a decision of the FCA made in connection with a function under this Part as if, in subsection (3)(a), the reference to the FCA's operational objectives included the purpose mentioned in section 131U(1).**]**

PART IX

HEARINGS AND APPEALS

Modifications etc. (not altering text)

C329 Pt. 9 applied (17.8.2001 for certain purposes otherwise 1.12.2001) by 1986 c. 53, **s. 46A(7)** (as substituted (17.8.2001 for certain purposes otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 8, 13(1), **Sch. 3 Pt. II para. 148** (with art. 13(1) Sch. 5)); S.I. 2001/3538, **art. 2(1)**
Pt. 9 applied (17.8.2001 for certain purposes otherwise 1.12.2001) by 1992 c. 40, **s. 58A(7)** (as substituted (17.8.2001 for certain purposes otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 8, 13(1), Sch. 3 Pt. I para. 75 (with art. 13(3), **Sch. 5**)); S.I. 2001/3538, **art. 2(1)**

Status: *This version of this Act contains provisions that are prospective.*
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Pt. 9 applied (with modifications) (17.8.2001 for certain purposes otherwise 1.12.2001) by 1992 c. 40, **s. 85(4C)(4D)** (as inserted (17.8.2001 for certain purposes otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 8, 13(1), Sch. 3 Pt. I para. 95 (with art. 13(3), **Sch. 5**)); S.I. 2001/3538, **art. 2(1)**
Pt. 9 applied (with modifications) (17.8.2001 for certain purposes otherwise 1.12.2001) by 1986 c. 53, **s. 93(6B)(6C)** (as substituted (17.8.2001 for certain purposes otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 8, 13(1), Sch. 3 Pt. II para. 177(d) (with art. 13(3), **Sch. 5**)); S.I. 2001/3538, **art. 2(1)**

C330 Pt. 9 applied (with modifications) (15.12.2007) by The Money Laundering Regulations 2007 (S.I. 2007/2157), reg. 44(4)(8), **Sch. 5 para. 2** (with reg. 44(7)) (as amended (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 129(g)**)

C331 Pt. 9 applied (with modifications) (15.12.2007) by The Transfer of Funds (Information on the Payer) Regulations 2007 (S.I. 2007/3298), **reg. 13(4)**, Sch. 2 para. 1 (as amended (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 131(d)**)

C332 Pt. 9 applied (6.3.2008) by The Regulated Covered Bonds Regulations 2008 (S.I. 2008/346), **reg. 40**

C333 Pt. 9 applied (with modifications) (13.3.2008) by The Northern Rock plc Compensation Scheme Order 2008 (S.I. 2008/718), arts. 1(2), 2, **Sch. paras. 15-19** (as amended (6.4.2010) by The Transfer of Tribunal Functions Order 2010 (S.I. 2010/22), arts. 1(2), 5(2), **Sch. 3 para. 158(e)-(i)** and (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 139**)

C334 Pt. 9 applied (with modifications) (19.12.2008) by The Bradford & Bingley plc Compensation Scheme Order 2008 (S.I. 2008/3249), arts. 1(2), 2, **Sch. para. 14-18** (as amended (6.4.2010) by The Transfer of Tribunal Functions Order 2010 (S.I. 2010/22), arts. 1(2), 5(2), **Sch. 3 para. 176(e)-(i)** and (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 152**)

C335 Pt. 9 applied (with modifications) (1.5.2009) by The Payment Services Regulations 2009 (S.I. 2009/209), reg. 1(2)(b)(xiii), 95, **Sch. 5 para. 2** (with reg. 3) (as amended (6.4.2010) by The Transfer of Tribunal Functions Order 2010 (S.I. 2010/22), arts. 1(2), 5(2), **Sch. 3 para. 189** and (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 155(6)(b)(c)** (with Sch. 2 para. 156) and (26.6.2017) by The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (S.I. 2017/692), reg. 1(2), **Sch. 7 para. 24(9)** (with regs. 8, 15)

C336 Pt. 9 applied (with modifications) (30.7.2009) by The Dunfermline Building Society Independent Valuer Order 2009 (S.I. 2009/1810), **arts. 14-18** (as amended (6.4.2010) by The Transfer of Tribunal Functions Order 2010 (S.I. 2010/22), arts. 1(2), 5(2), **Sch. 3 paras. 195-199** and (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 175**)

C337 Pt. 9 applied (with modifications) (31.12.2009) by Banking Act 2009 (c. 1), **ss. 202(3)**, 263(1) (with ss. 206, 247); S.I. 2009/3000, **art. 4**, Sch. para. 2 (with art. 2)

C338 Pt. 9 applied (with modifications) (11.2.2010) by The Cross-Border Payments in Euro Regulations 2010 (S.I. 2010/89), reg. 19, **Sch. paras. 7**, **8**

C339 Pt. 9 applied (with modifications) (9.2.2011 for certain purposes and 30.4.2011 otherwise) by The Electronic Money Regulations 2011 (S.I. 2011/99), regs. 1(2)(a)(xiv)(b), 62, **Sch. 3 para. 2** (with reg. 3) (as amended (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 196(5)(b)(c)**)

C340 Pt. 9 applied (with modifications) (15.1.2013) by The Payments in Euro (Credit Transfers and Direct Debits) Regulations 2012 (S.I. 2012/3122), reg. 1, **Sch. para. 7** (as amended (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 248(6)(b)(p)**)

C341 Pt. 9 applied (1.4.2013) by The Financial Services and Markets Act 2000 (Over the Counter Derivatives, Central Counterparties and Trade Repositories) Regulations 2013 (S.I. 2013/504), regs. 1(2), **58** (with regs. 52-58)

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C342 Pt. 9 applied (with modifications) (E.W.) (9.7.2013) by The Legal Aid, Sentencing and Punishment of Offenders Act 2012 (Referral Fees) Regulations 2013 (S.I. 2013/1635), regs. 1, **31(1)** (as amended (7.3.2016) by The Financial Services (Banking Reform) Act 2013 (Consequential Amendments) Order 2016 (S.I. 2016/163), arts. 1, **6(8)**)

C343 Pt. 9 applied (22.7.2013) by The Alternative Investment Fund Managers Regulations 2013 (S.I. 2013/1773), regs. 1, **70(1)**

C344 Pt. 9 applied (with modifications) (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services Act 2012 (Consumer Credit) Order 2013 (S.I. 2013/1882), arts. 1(1), **3(4)**

C345 Pt. 9 applied (1.1.2014) by The Capital Requirements Regulations 2013 (S.I. 2013/3115), regs. 1(2), **42** (with reg. 44)

C346 Pt. 9 applied (21.11.2014) by The Central Securities Depositories Regulations 2014 (S.I. 2014/2879), regs. 1(1), **5(12)**

C347 Pt. 9 applied (with modifications) (12.12.2014) by The Immigration Act 2014 (Bank Accounts) Regulations 2014 (S.I. 2014/3085), regs. 1, **30**

C348 Pt. 9 modified (10.1.2015) by The Bank Recovery and Resolution (No. 2) Order 2014 (S.I. 2014/3348), arts. 1(2), **67(2)**

C349 Pt. 9 applied (31.3.2015) by The Solvency 2 Regulations 2015 (S.I. 2015/575), regs. 1(3), **56(2)** (with reg. 1(4))

C350 Pt. 9 applied (20.4.2015 for specified purposes, 21.12.2015 for specified purposes, 21.3.2016 in so far as not already in force) by The Mortgage Credit Directive Order 2015 (S.I. 2015/910), arts. 1(5), **24(1)** (with Pt. 4)

C351 Pt. 9 applied (1.1.2016) by The Capital Requirements (Capital Buffers and Macro-prudential Measures) Regulations 2014 (S.I. 2014/894), regs. 1(3), **4**

C352 Pt. 9 applied (with modifications) (1.1.2016) by The Small and Medium Sized Business (Credit Information) Regulations 2015 (S.I. 2015/1945), **regs. 1(2)**, 46

C353 Pt. 9 applied (with modifications) (1.1.2016) by The Small and Medium Sized Business (Finance Platforms) Regulations 2015 (S.I. 2015/1946), regs. 1(2), **43**

C354 Pt. 9 applied (with modifications) (13.7.2016) by The Financial Services and Markets Act 2000 (Transparency of Securities Financing Transactions and of Reuse) Regulations 2016 (S.I. 2016/715), regs. 1(2), **22**

C355 Pt. 9 applied (with modifications) (26.6.2017) by The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (S.I. 2017/692), regs. 1(2), **93(2)**(3) (with regs. 8, 15)

C356 Pt. 9 applied (with modifications) (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 1 para. 18(1)** (with reg. 7)

C357 Pt. 9 applied (with modifications) (13.10.2017) by The Payment Services Regulations 2017 (S.I. 2017/752), reg. 1(3)(c), **Sch. 6 para. 2** (with reg. 3)

C358 Pt. 9 applied (with modifications) by S.I. 2014/2879, reg. 5C(12) (as inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **5(9)** (with regs. 7(4), 9(1)))

C359 Pt. 9 applied by S.I. 2014/2879, reg. 5I(8) (as inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **5(9)** (with regs. 7(4), 9(1)))

C360 Pt. 9 applied by S.I. 2014/2879, reg. 5L(3) (as inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **5(9)** (with regs. 7(4), 9(1)))

C361 Pt. 9 applied by S.I. 2014/2879, reg. 5H(6) (as inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **5(9)** (with regs. 7(4), 9(1)))

C362 Pt. 9 applied (with modifications) (1.1.2018) by The Packaged Retail and Insurance-based Investment Products Regulations 2017 (S.I. 2017/1127), reg. 1, **Sch. 1 para. 1**

C363 Pt. 9 applied (with modifications) (3.1.2018) by The Data Reporting Services Regulations 2017 (S.I. 2017/699), regs. 1(2)(b), **32**

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C364 Pt. 9 applied (with modifications) (27.2.2018) by The Financial Services and Markets Act 2000 (Benchmarks) Regulations 2018 (S.I. 2018/135), regs. 1(2), **18**

C365 Pt. 9 applied (with modifications) (1.1.2019) by The Securitisation Regulations 2018 (S.I. 2018/1288), reg. 1, **Sch. 1 para. 2** (with Sch. 1 paras. 13, 14)

C366 Pt. 9 applied by S.I. 2018/1201, Sch. 3 para. 12J(5) (as inserted (1.3.2019) by The Financial Services Contracts (Transitional and Saving Provision) (EU Exit) Regulations 2019 (S.I. 2019/405), regs. 1(2), **10(2)**)

C367 Pt. 9 applied by S.I. 2018/1149, reg. 57 (as inserted (1.3.2019) by The Financial Services Contracts (Transitional and Saving Provision) (EU Exit) Regulations 2019 (S.I. 2019/405), regs. 1(2), **3**)

C368 Pt. 9 applied (with modifications) by S.I. 2018/1201, reg. 13H (as inserted (1.3.2019) by The Financial Services Contracts (Transitional and Saving Provision) (EU Exit) Regulations 2019 (S.I. 2019/405), regs. 1(2), **11**)

C369 Pt. 9 applied by S.I. 2018/1201, reg. 34(5) (as inserted (1.3.2019) by The Financial Services Contracts (Transitional and Saving Provision) (EU Exit) Regulations 2019 (S.I. 2019/405), regs. 1(2), **10(3)**)

C370 Pt. 9 applied (with modifications) (27.11.2020) by The Securities Financing Transactions, Securitisation and Miscellaneous Amendments (EU Exit) Regulations 2020 (S.I. 2020/1385), regs. 1(2), **18**

C371 Pt. 9 applied (with modifications) (31.12.2020) by The Over the Counter Derivatives, Central Counterparties and Trade Repositories (Amendment, etc., and Transitional Provision) (EU Exit) Regulations 2019 (S.I. 2019/335), regs. 1(1), **73** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

C372 Pt. 9 applied (31.12.2020) by The Electronic Commerce and Solvency 2 (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/1361), regs. 1(2), **17(2)** (as amended by S.I. 2019/1390, regs. 1(2), 6); 2020 c. 1, Sch. 5 para. 1(1)

C373 Pt. 9 applied (with modifications) (31.12.2020) by The Transparency of Securities Financing Transactions and of Reuse (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/542), regs. 1, **34** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

C374 Pt. 9 applied (1.7.2021) by Regulation (EU) No. 600/2014, Art. 49B(4) (as inserted by Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 10 para. 9**; S.I. 2021/739, reg. 3(o))

C375 Pt. 9 applied (with modifications) (30.1.2024 for specified purposes) by The Securitisation Regulations 2024 (S.I. 2024/102), reg. 2(1)(e)(2), **Sch. 1 para. 8** (with reg. 52(3), Sch. 3)

C376 Pt. 9 applied (with modifications) (5.4.2024) by The Data Reporting Services Regulations 2024 (S.I. 2024/107), regs. 1(2), **17**; S.I. 2023/1382, **reg. 4(c)**

C377 Pt. 9 applied (with modifications) (30.1.2024 for specified purposes, 1.11.2024 in so far as not already in force) by The Securitisation Regulations 2024 (S.I. 2024/102), reg. 2(1)(e)(2), **Sch. 1 para. 8** (with reg. 52(3), Sch. 3); as amended by S.I. 2024/705, regs. 1(2), **2(2)**

C378 Pt. 9 applied (25.2.2026 for specified purposes) by The Financial Services and Markets Act 2000 (Cryptoassets) Regulations 2026 (S.I. 2026/102), regs. 1(2)(3), **55(8)**, 59(10), 63(8) (with regs. 53-56)

132 The Financial Services and Markets Tribunal.

F1027 . . . . . .

Textual Amendments

F1027 S. 132 omitted (6.4.2010) by virtue of The Transfer of Tribunal Functions Order 2010 (S.I. 2010/22), arts. 1(2)(e), 5(1), **Sch. 2 para. 44**

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[F1028 133 Proceedings before Tribunal: general provision

(1) This section applies in the case of a reference or appeal to the Tribunal (whether made under this or any other Act) in respect of—

(a) a decision of [F1029 the FCA or the PRA];

(b) a decision of the Bank of England; or

(c) a decision of a person relating to the assessment of any compensation or consideration under the M5 Banking (Special Provisions) Act 2008 [F1030, the Banking Act 2009 or the Financial Services and Markets Act 2023].

[F1031 (1A) For the purposes of this section, in the case of a reference to the Tribunal under section 290(4A) (which relates to an application by a central securities depository under section 288A), the failure by the Bank of England to make a decision is treated as a decision to refuse the application (and accordingly is treated as falling within subsection (1)(b)).]

(2) In this section—

"relevant decision" means a decision mentioned in subsection (1)(a), (b) or (c); and

"the decision-maker", in relation to a relevant decision, means the person who made the relevant decision.

(3) Tribunal Procedure Rules may make provision for the suspension of a relevant decision which has taken effect, pending determination of the reference or appeal.

(4) The Tribunal may consider any evidence relating to the subject-matter of the reference or appeal, whether or not it was available to the decision-maker at the material time.

[F1032 (5) In the case of a disciplinary reference or a reference under section 393(11), the Tribunal—

(a) must determine what (if any) is the appropriate action for the decision-maker to take in relation to the matter; and

(b) on determining the reference, must remit the matter to the decision-maker with such directions (if any) as the Tribunal considers appropriate for giving effect to its determination.

[F1033 (5A) In the case of a reference under paragraph 7 of Schedule 6A, the Tribunal—

(a) must determine what (if any) is the appropriate action that must be taken in relation to the matter, and

(b) on determining the reference, must give such directions (if any) to such persons as the Tribunal considers appropriate for giving effect to its determination.]

(6) In any other case, the Tribunal must determine the reference or appeal by either—

(a) dismissing it; or

(b) remitting the matter to the decision-maker with a direction to reconsider and reach a decision in accordance with the findings of the Tribunal.

(6A) The findings mentioned in subsection (6)(b) are limited to findings as to—

(a) issues of fact or law;

(b) the matters to be, or not to be, taken into account in making the decision; and

(c) the procedural or other steps to be taken in connection with the making of the decision.]

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(7) The decision-maker must act in accordance with the determination of, and any direction given by, the Tribunal.

[F1034(7A) A reference is a "disciplinary reference" for the purposes of this section if it is in respect of any of the following decisions—

(a) a decision to impose a penalty under section 63A;

(b) a decision to take action under section 66;

(c) a decision to take action under section 87M;

(d) a decision to take action under section 88A;

(e) a decision to take action under section 89K;

(f) a decision to take action under section 89Q;

(g) a decision to take action under section 91;

[F1035(h) a decision to impose a penalty or publish a statement of censure under section 123, impose a prohibition under section 123A or impose a suspension or restriction under section 123B;**]**

(i) **[**F1036a decision to take action under section 131G;**]**

[F1037(ia) a decision to take action under section 142S;**]**

[F1038(ib) a decision to take action under section 143W;**]**

(j) a decision to take action under section 192K;

(k) a decision to publish a statement under section 205, impose a penalty under section 206 or suspend a permission or impose a restriction under section 206A;

[F1039(ka) a decision to impose a prohibition or restriction under section 206B or to refuse an application under subsection (4) of that section;**]**

(l) a decision to take action under section 249 **[**F1040or 261K**]**;

[F1041(la) a decision to impose a penalty under section 309U;

(lb) a decision to take action under section 309Z2;**]**

(m) a decision to publish a statement under section 312E **[**F1042or 312FA**]** or impose a penalty under section 312F **[**F1042or 312FA**]**;

(n) a decision to take action under section 345 or 345A.

[F1043(o) a decision to take action under section 83ZR of the Banking Act 2009.**]]**

(8) An order of the Tribunal may be enforced—

(a) **[**F1044in England and Wales, as if it were an order of the county court or, in Northern Ireland,**]** as if it were an order of a county court; or

(b) in Scotland, as if it were an order of the Court of Session.**]**

Textual Amendments

F1028 Ss. 133-133B substituted (6.4.2010) for s. 133 by The Transfer of Tribunal Functions Order 2010 (S.I. 2010/22), arts. 1(2)(e), 5(1), **Sch. 2 para. 45**

F1029 Words in s. 133(1)(a) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 23(2)(a)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1030 Words in s. 133(1)(c) substituted (31.12.2023) by Financial Services and Markets Act 2023 (c. 29), s. 86(3), **Sch. 11 para. 160(4)**; S.I. 2023/1382, reg. 8(b)

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F1031 S. 133(1A) inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **2(5)(a)** (with regs. 7(4), 9(1))

F1032 S. 133(5)-(6A) substituted for s. 133(5)(6) (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 23(2)(b)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1033 S. 133(5A) inserted (1.7.2021) by Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 11 para. 4**; S.I. 2021/739, reg. 3(p)

F1034 S. 133(7A) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 23(2)(c)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1035 S. 133(7A)(h) substituted (3.7.2016) by The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **10(4)**

F1036 S. 133(7A)(i) omitted (14.1.2025 for specified purposes) by virtue of The Short Selling Regulations 2025 (S.I. 2025/29), reg. 2(2)(3), **Sch. 2 para. 1(3)**

F1037 S. 133(7A)(ia) inserted (1.1.2019) by Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 4(2)**, 148(5); S.I. 2018/1306, art. 2(d)

F1038 S. 133(7A)(ib) inserted (1.7.2021) by Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 2 para. 3** (with Sch. 2 Pt. 3); S.I. 2021/671, reg. 4(b)

F1039 S. 133(7A)(ka) inserted (14.1.2025) by The Financial Services and Markets Act 2000 (Designated Activities) (Supervision and Enforcement) Regulations 2025 (S.I. 2025/22), reg. 1(2), **Sch. para. 4**

F1040 Words in s. 133(7A)(l) inserted (6.6.2013) by The Collective Investment in Transferable Securities (Contractual Scheme) Regulations 2013 (S.I. 2013/1388), regs. 1, **3(3)** (with reg. 24)

F1041 S. 133(7A)(la)(lb) inserted (29.6.2023 for specified purposes) by Financial Services and Markets Act 2023 (c. 29), s. 86(1)(e), **Sch. 10 para. 6**

F1042 Words in s. 133(7A)(m) inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **2(5)(b)** (with regs. 7(4), 9(1))

F1043 S. 133(7A)(o) inserted (1.1.2015) by The Bank Recovery and Resolution Order 2014 (S.I. 2014/3329), arts. 1(2), **116**

F1044 Words in s. 133(8)(a) inserted (22.4.2014) by Crime and Courts Act 2013 (c. 22), s. 61(3), **Sch. 9 para. 83**; S.I. 2014/954, art. 2(c) (with art. 3) (with transitional provisions and savings in S.I. 2014/956, arts. 3-11)

Modifications etc. (not altering text)

C379 S. 133 applied (with modifications) (18.7.2002 for certain purposes and 21.8.2002 otherwise) by The Electronic Commerce Directive (Financial Services and Markets) Regulations 2002 (S.I. 2002/1775), regs. 1, 12(4) (as amended (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), Sch. 2 para. 77(7)(b))

C380 S. 133 applied (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No. 2) Order 2013 (S.I. 2013/1881), arts. 1(2)(6), **55(3)**

C381 Ss. 133-133B applied (with modifications) (18.9.2016) by The Payment Accounts Regulations 2015 (S.I. 2015/2038), reg. 1(2)(b), **Sch. 7 para. 1**

C382 S. 133 applied (with modifications) (29.11.2018 for specified purposes, 1.4.2019 in so far as not already in force) by The Financial Services and Markets Act 2000 (Claims Management Activity) Order 2018 (S.I. 2018/1253), arts. 1(2)(3), **66(3)**(4)

C383 S. 133 applied (with modifications) (10.6.2019) by The Proxy Advisors (Shareholders Rights) Regulations 2019 (S.I. 2019/926), regs. 1, **20**, 21

C384 S. 133 applied (with modifications) (31.12.2020) by The Credit Rating Agencies (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/266), regs. 1(3), **16(2)(a)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

C385 S. 133 applied (with modifications) (31.5.2021) by The Civil Liability Act 2018 (Financial Conduct Authority) (Whiplash) Regulations 2021 (S.I. 2021/594), regs. 1, **2(3)(a)**

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Marginal Citations

M5 2008 c. 2.

[F1045 133A Proceedings before Tribunal: decision and supervisory notices, etc.

(1) In determining [F1046 in accordance with section 133(5)] a reference made (whether under this or any other Act) as a result of a decision notice [F1047 given by a body, the Tribunal may not direct the body to take action which it would] not, as a result of section 388(2), have had power to take when giving the notice.

F1048 (2) . . . . . .

F1049 (3) . . . . . .

(4) [F1050 The action specified in a decision notice must not be taken—]

(a) during the period within which the matter to which the notice relates may be referred to the Tribunal (whether under this or any other Act); and

(b) if the matter is so referred, until the reference, and any appeal against the Tribunal's determination, has been finally disposed of.

(5) The Tribunal may, on determining a reference (whether made under this or any other Act) in respect of a decision of [F1051 the FCA or the PRA], make recommendations as to [F1052 its] regulating provisions or its procedures.

Textual Amendments

F1045 Ss. 133-133B substituted (6.4.2010) for s. 133 by The Transfer of Tribunal Functions Order 2010 (S.I. 2010/22), arts. 1(2)(e), 5(1), **Sch. 2 para. 45**

F1046 Words in s. 133A(1) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 23(3)(a)(i)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1047 Words in s. 133A(1) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 23(3)(a)(ii)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1048 S. 133A(2) omitted (1.4.2013) by virtue of Financial Services Act 2012 (c. 21), **ss. 23(3)(b)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1049 S. 133A(3) omitted (1.4.2013) by virtue of Financial Services Act 2012 (c. 21), **ss. 23(3)(b)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1050 Words in s. 133A(4) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 23(3)(c)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1051 Words in s. 133A(5) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 23(3)(d)(i)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1052 Word in s. 133A(5) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 23(3)(d)(ii)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

Modifications etc. (not altering text)

C381 Ss. 133-133B applied (with modifications) (18.9.2016) by The Payment Accounts Regulations 2015 (S.I. 2015/2038), reg. 1(2)(b), **Sch. 7 para. 1**

C386 S. 133A modified by S.I. 2002/1775 reg. 12(4) (as amended) (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 77(7)(b)**

C387 S. 133A applied (with modifications) (10.6.2019) by The Proxy Advisors (Shareholders Rights) Regulations 2019 (S.I. 2019/926), regs. 1, **20**, 21

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C388 S. 133A applied (31.12.2020) by The Credit Rating Agencies (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/266), regs. 1(3), **16(2)(b)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

C389 S. 133A applied (31.5.2021) by The Civil Liability Act 2018 (Financial Conduct Authority) (Whiplash) Regulations 2021 (S.I. 2021/594), regs. 1, **2(3)(b)**

C390 S. 133A(1) applied (with modifications) (1.4.2013) by The Financial Services Act 2012 (Transitional Provisions) (Miscellaneous Provisions) Order 2013 (S.I. 2013/442), arts. 1(3), **12(3)**, 13(3)

133B Offences

(1) This section applies in the case of proceedings before the Tribunal in respect of—

(a) a decision of **[**F1053the FCA or the PRA**]**;

(b) a decision of the Bank of England; or

(c) a decision of a person relating to the assessment of any compensation or consideration under the M6Banking (Special Provisions) Act 2008 **[**F1054, the Banking Act 2009 or the Financial Services and Markets Act 2023**]**.

(2) A person is guilty of an offence if that person, without reasonable excuse—

(a) refuses or fails—

(i) to attend following the issue of a summons by the Tribunal; or

(ii) to give evidence; or

(b) alters, suppresses, conceals or destroys, or refuses to produce a document which he may be required to produce for the purposes of proceedings before the Tribunal.

(3) A person guilty of an offence under subsection (2)(a) is liable on summary conviction to a fine not exceeding level 5 on the standard scale.

(4) A person guilty of an offence under subsection (2)(b) is liable—

(a) on summary conviction, to a fine not exceeding the statutory maximum;

(b) on conviction on indictment, to imprisonment for a term not exceeding two years or a fine or both.**]**

Textual Amendments

F1045 Ss. 133-133B substituted (6.4.2010) for s. 133 by The Transfer of Tribunal Functions Order 2010 (S.I. 2010/22), arts. 1(2)(e), 5(1), **Sch. 2 para. 45**

F1053 Words in s. 133B substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 23(4)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1054 Words in s. 133B(1)(c) substituted (31.12.2023) by Financial Services and Markets Act 2023 (c. 29), s. 86(3), **Sch. 11 para. 160(5)**; S.I. 2023/1382, reg. 8(b)

Modifications etc. (not altering text)

C381 Ss. 133-133B applied (with modifications) (18.9.2016) by The Payment Accounts Regulations 2015 (S.I. 2015/2038), reg. 1(2)(b), **Sch. 7 para. 1**

C391 S. 133B applied (with modifications) (10.6.2019) by The Proxy Advisors (Shareholders Rights) Regulations 2019 (S.I. 2019/926), regs. 1, **20**, 21

C392 S. 133B applied (31.12.2020) by The Credit Rating Agencies (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/266), regs. 1(3), **16(2)(c)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

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C393 S. 133B applied (31.5.2021) by The Civil Liability Act 2018 (Financial Conduct Authority) (Whiplash) Regulations 2021 (S.I. 2021/594), regs. 1, **2(3)(c)**

Marginal Citations

M6 2008 c. 2.

Legal assistance before the Tribunal

134 Legal assistance scheme.

(1) The Lord Chancellor may by regulations establish a scheme governing the provision of legal assistance in connection with proceedings before the Tribunal.

(2) If the Lord Chancellor establishes a scheme under subsection (1), it must provide that a person is eligible for assistance only if—

(a) he falls within subsection (3); and

(b) he fulfils such other criteria (if any) as may be prescribed as a result of section 135(1)(d).

(3) A person falls within this subsection if he is an individual who has referred a matter to the Tribunal under section 127(4).

(4) In this Part of this Act "the legal assistance scheme" means any scheme in force under subsection (1).

135 Provisions of the legal assistance scheme.

(1) The legal assistance scheme may, in particular, make provision as to—

(a) the kinds of legal assistance that may be provided;

(b) the persons by whom legal assistance may be provided;

(c) the manner in which applications for legal assistance are to be made;

(d) the criteria on which eligibility for legal assistance is to be determined;

(e) the persons or bodies by whom applications are to be determined;

(f) appeals against refusals of applications;

(g) the revocation or variation of decisions;

(h) its administration and the enforcement of its provisions.

(2) Legal assistance under the legal assistance scheme may be provided subject to conditions or restrictions, including conditions as to the making of contributions by the person to whom it is provided.

136 Funding of the legal assistance scheme.

(1) The **[**F1055FCA**]** must pay to the Lord Chancellor such sums at such times as he may, from time to time, determine in respect of the anticipated or actual cost of legal assistance provided in connection with proceedings before the Tribunal under the legal assistance scheme.

(2) In order to enable it to pay any sum which it is obliged to pay under subsection (1), the **[**F1055FCA**]** must make rules requiring the payment to it by authorised persons or any

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class of authorised person of specified amounts or amounts calculated in a specified way.

(3) Sums received by the Lord Chancellor under subsection (1) must be paid into the Consolidated Fund.

(4) The Lord Chancellor must, out of money provided by Parliament fund the cost of legal assistance provided in connection with proceedings before the Tribunal under the legal assistance scheme.

(5) Subsection (6) applies if, as respects a period determined by the Lord Chancellor, the amount paid to him under subsection (1) as respects that period exceeds the amount he has expended in that period under subsection (4).

(6) The Lord Chancellor must—

(a) repay, out of money provided by Parliament, the excess to the **[**F1056FCA**]**; or

(b) take the excess into account on the next occasion on which he makes a determination under subsection (1).

(7) The **[**F1057FCA**]** must make provision for any sum repaid to it under subsection (6)(a)—

(a) to be distributed among—

(i) the authorised persons on whom a levy was imposed in the period in question as a result of rules made under subsection (2); or

(ii) such of those persons as it may determine;

(b) to be applied in order to reduce any amounts which those persons, or such of them as it may determine, are or will be liable to pay to the **[**F1057FCA**]**, whether under rules made under subsection (2) or otherwise; or

(c) to be partly so distributed and partly so applied.

(8) If the **[**F1058FCA**]** considers that it is not practicable to deal with any part of a sum repaid to it under subsection (6)(a) in accordance with provision made by it as a result of subsection (7), it may, with the consent the Lord Chancellor, apply or dispose of that part of that sum in such manner as it considers appropriate.

(9) "Specified" means specified in the rules.

Textual Amendments

F1055 Word in s. 136(1)(2) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 23(5)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1056 Word in s. 136(6)(a) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 23(5)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1057 Word in s. 136(7) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 23(5)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1058 Word in s. 136(8) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 23(5)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

Commencement Information

I24 S. 136 wholly in force at 3.9.2001; s. 136 not in force at Royal Assent see s. 431(2); s. 136 in force for specified purposes at 18.6.2001 by S.I. 2001/1820, art. 2, **Sch.**; s. 136 in force in so far as not already in force at 3.9.2001 by S.I. 2001/2632, art. 2(2), **Sch. Pt. 2**

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F1059

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Textual Amendments

F1059 S. 137 and preceding cross-heading omitted (6.4.2010) by virtue of The Transfer of Tribunal Functions Order 2010 (S.I. 2010/22), art. 1(2)(e), 5(1), **Sch. 2 para. 46**

137 Appeal on a point of law.

F1060

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Textual Amendments

F1060 S. 137 and preceding cross-heading omitted (6.4.2010) by virtue of The Transfer of Tribunal Functions Order 2010 (S.I. 2010/22), art. 1(2)(e), 5(1), **Sch. 2 para. 46**

[F1061 PART 9A

RULES AND GUIDANCE

Textual Amendments

F1061 Pt. 9A substituted for ss. 138-164 (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), **ss. 24(1)**, 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

Modifications etc. (not altering text)

C394 Pt. 9A applied (with modifications) (31.12.2020) by The Transparency of Securities Financing Transactions and of Reuse (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/542), regs. 1, **35** (as amended by S.I. 2020/1385, regs. 1(4), **56(7)**) (with savings in S.I. 2019/680, **reg. 11**); 2020 c. 1, **Sch. 5 para. 1(1)**

C395 Pt. 9A applied (31.12.2020) by The Solvency 2 and Insurance (Amendment, etc.) (EU Exit) Regulations 2019 (S.I. 2019/407), regs. 1(2), 4, **Sch. 3** (as amended by S.I. 2020/1301, regs. 1, 3, Sch. para. 27(a) and S.I. 2020/1385, regs. 1(2), 54(2))

C396 Pt. 9A applied (with modifications) (31.12.2020) by The Over the Counter Derivatives, Central Counterparties and Trade Repositories (Amendment, etc., and Transitional Provision) (EU Exit) Regulations 2019 (S.I. 2019/335), regs. 1(1), **74** (as amended by S.I. 2020/1385, regs. 1(4), **52(7)**) (with savings in S.I. 2019/680, **reg. 11**); 2020 c. 1, **Sch. 5 para. 1(1)**

C397 Pt. 9A applied (1.7.2021) by Regulation (EU) No. 600/2014, Art. 49A(12) (as inserted by Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 10 para. 9**; S.I. 2021/739, reg. 3(o))

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CHAPTER 1

RULE-MAKING POWERS

General rule-making powers of the FCA and the PRA

137A The FCA's general rules

(1) The FCA may make such rules applying to authorised persons—

(a) with respect to the carrying on by them of regulated activities, or

(b) with respect to the carrying on by them of activities which are not regulated activities,

as appear to the FCA to be necessary or expedient for the purpose of advancing one or more of its operational objectives.

(2) Rules made under this section are referred to in this Act as the FCA's general rules.

(3) The FCA's general rules may make provision applying to authorised persons even though there is no relationship between the authorised persons to whom the rules will apply and the persons whose interests will be protected by the rules.

(4) The FCA's general rules may contain requirements which take into account, in the case of an authorised person who is a member of a group, any activity of another member of the group.

F1062(5) . . . . . .

F1063(6) . . . . . .

F1063(7) . . . . . .

Textual Amendments

F1062 S. 137A(5) omitted (31.12.2020) by virtue of The EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018 (S.I. 2018/1149), reg. 1(3), **Sch. para. 9** (with reg. 4); 2020 c. 1, Sch. 5 para. 1(1)

F1063 S. 137A(6)(7) repealed (1.1.2024) by Financial Services and Markets Act 2023 (c. 29), s. 86(3), **Sch. 1 Pt. 4** (with ss. 1(4), 7(4)); S.I. 2023/779, reg. 5(e)(i)

Modifications etc. (not altering text)

C398 S. 137A modified by S.I. 2008/2674, **art. 29(1)** (as substituted (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 149(b)(i)**)

C399 S. 137A modified by S.I. 2008/2644, **art. 27(1)** (as substituted (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 147(b)(i)**)

C400 S. 137A modified by S.I. 2008/432, **art. 15(1)** (as substituted (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 136(d)(i)**)

C401 S. 137A modified by S.I. 2008/2546, **art. 37(1)** (as substituted (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 146(c)(i)**)

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C402 S. 137A modified by S.I. 2008/2666, **art. 18(1)** (as substituted (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 148(b)(i)**)

C403 S. 137A power to make rules modified by S.I. 2002/1775, **reg. 3(1)(4)** (as amended (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 77(4)(a)**)

C404 S. 137A applied (with modifications) (13.8.2017 for specified purposes, 13.1.2018 in so far as not already in force) by The Payment Services Regulations 2017 (S.I. 2017/752), reg. 1(2)(b)(ii)(6), **Sch. 6 para. 3(1)** (with reg. 3) (as amended by S.I. 2018/1201, reg. 1(3), Sch. 2 para. 72(2) (with reg. 4, **Sch. 3 Pt. 2**) (as amended by S.I. 2020/56, regs. 1, **8**)); and (18.9.2023) by S.I. 2023/790, regs. 1(2)(a), **4(5)(a)(i)**)

C405 S. 137A applied (with modifications) by S.I. 2011/99, **Sch. 3 para. 2A(1)** (as inserted (13.8.2017 for specified purposes, 13.10.2017 for specified purposes, 13.1.2018 in so far as not already in force) by The Payment Services Regulations 2017 (S.I. 2017/752), reg. 1(2)(c)(iii)(3)(f)(i)(6), **Sch. 8 para. 5(31)(a)** (with reg. 3) and as amended (31.12.2020) by S.I. 2018/1201, reg. 1(3), Sch. 2 para. 21(2)(b) (with reg. 4, **Sch. 3 Pt. 1**) (as amended by S.I. 2020/56, regs. 1, **8**); and (18.9.2023) by S.I. 2023/790, regs. 1(2)(a), **2(3)(a)(i)**)

C406 S. 137A(1) modified (13.3.2023 at 8.00 a.m.) by The Amendments of the Law (Resolution of Silicon Valley Bank UK Limited) Order 2023 (S.I. 2023/319), arts. 1(2), **3(1)** (as amended (23.6.2023) by S.I. 2023/694, arts. 1(2), **3(3)**)

C407 S. 137A(1) modified by S.I. 2009/3226, **art. 20(1)** (as substituted (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 182(a)(i)**)

C408 S. 137A(1) modified by S.I. 2009/814, **art. 9(1)** (as substituted (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 167(b)(i)**)

C409 S. 137A(3)(4) modified by S.I. 2002/1775, **reg. 3(2)(a)** (as amended (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 77(4)(b)**)

[The FCA's general rules: Gibraltar

F1064 **137AA**

(1) The FCA's general rules may not make provision prohibiting a Gibraltar-based person from carrying on, or holding itself out as carrying on, an activity which it has a Schedule 2A permission to carry on in the United Kingdom.

(2) Subsection (1) does not apply to rules described in section 137C, 137D or 137FD.

(3) The Treasury may by regulations impose other limitations on what provision applying to Gibraltar-based persons with a Schedule 2A permission to carry on a regulated activity may be made in the FCA's general rules, but may not impose limitations relating to rules described in section 137C, 137D or 137FD.

(4) Before making regulations under subsection (3), the Treasury must consult the FCA.**]**

Textual Amendments

F1064 S. 137AA inserted (1.9.2023 for specified purposes) by Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 8 para. 5**; S.I. 2023/934, reg. 2(b)(i)

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137B FCA general rules: clients' money, right to rescind etc.

(1) Rules relating to the handling of money held by an authorised person in specified circumstances ("clients' money") may—

(a) make provision which results in that clients' money being held on trust in accordance with the rules,

(b) treat 2 or more accounts as a single account for specified purposes (which may include the distribution of money held in the accounts),

(c) authorise the retention by the authorised person of interest accruing on the clients' money, and

(d) make provision as to the distribution of such interest which is not to be retained by the authorised person.

(2) An institution with which an account is kept in pursuance of rules relating to the handling of clients' money does not incur any liability as constructive trustee if the money is wrongfully paid from the account, unless the institution permits the payment—

(a) with knowledge that it is wrongful, or

(b) having deliberately failed to make enquiries in circumstances in which a reasonable and honest person would have done so.

(3) Rules may—

(a) confer rights on persons to rescind agreements with, or withdraw offers to, authorised persons within a specified period, and

(b) make provision, in respect of authorised persons and persons exercising those rights, for the restitution of property and the making or recovery of payments where those rights are exercised.

(4) "Rules" means general rules of the FCA.

(5) "Specified" means specified in the rules.

Modifications etc. (not altering text)

C410 S. 137B applied (with modifications) (18.9.2023) by S.I. 2011/99, **Sch. 3 para. 2A(1A)** (as inserted by The Electronic Money, Payment Card Interchange Fee and Payment Services (Amendment) Regulations 2023 (S.I. 2023/790), regs. 1(2)(a), **2(3)(a)(ii)**)

C411 S. 137B applied (with modifications) (18.9.2023) by S.I. 2017/752, **Sch. 6 para. 3(1A)** (as inserted by The Electronic Money, Payment Card Interchange Fee and Payment Services (Amendment) Regulations 2023 (S.I. 2023/790), regs. 1(2)(a), **4(5)(a)(ii)**)

C412 S. 137B applied (with modifications) (25.2.2026 for specified purposes) by S.I. 2001/544, arts. 98, **99** (as inserted by The Financial Services and Markets Act 2000 (Cryptoassets) Regulations 2026 (S.I. 2026/102), regs. 1(2)(3), **40(12)** (with regs. 53-56))

137C FCA general rules: cost of credit and duration of credit agreements

(1) The power of the FCA to make general rules includes power to make rules prohibiting authorised persons from—

(a) entering into a regulated credit agreement that provides for—

(i) the payment by the borrower of charges of a specified description, or

(ii) the payment by the borrower over the duration of the agreement of charges that, taken with the charges paid under one or more other

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agreements which are treated by the rules as being connected with it, exceed, or are capable of exceeding, a specified amount;

(b) imposing charges of a specified description or exceeding a specified amount on a person who is the borrower under a regulated credit agreement;

(c) entering into a regulated credit agreement that—

(i) is capable of remaining in force after the end of a specified period,

(ii) when taken with one or more other regulated credit agreements which are treated by the rules as being connected with it, would be capable of remaining in force after the end of a specified period, or

(iii) is treated by the rules as being connected with a number of previous regulated credit agreements that exceeds a specified maximum;

(d) exercising the rights of the lender under a regulated credit agreement (as a person for the time being entitled to exercise them) in a way that enables the agreement to remain in force after the end of a specified period or enables the imposition on the borrower of charges within paragraph (a)(i) or (ii).

[The FCA must make rules by virtue of subsection (1)(a)(ii) and (b) in relation to one F1065(1A) or more specified descriptions of regulated credit agreement appearing to the FCA to involve the provision of high-cost short-term credit, with a view to securing an appropriate degree of protection for borrowers against excessive charges.

(1B) Before the FCA publishes a draft of any rules to be made by virtue of subsection (1)(a)(ii) or (b), it must consult the Treasury.**]**

(2) "Charges" means charges payable, by way of interest or otherwise, in connection with the provision of credit under the regulated credit agreement, whether or not the agreement itself makes provision for them and whether or not the person to whom they are payable is a party to the regulated credit agreement or an authorised person.

(3) "The borrower" includes—

(a) any person providing a guarantee or indemnity under the regulated credit agreement, and

(b) a person to whom the rights and duties of the borrower under the regulated credit agreement or a person falling within paragraph (a) have passed by assignment or operation of law.

(4) In relation to an agreement entered into or obligation imposed in contravention of the rules, the rules may—

(a) provide for the agreement or obligation to be unenforceable against any person or specified person;

(b) provide for the recovery of any money or other property paid or transferred under the agreement or other obligation by any person or specified person;

(c) provide for the payment of compensation for any loss sustained by any person or specified person as a result of paying or transferring any money or other property under the agreement or obligation.

(5) The provision that may be made as a result of subsection (4) includes provision corresponding to that made by section 30 (enforceability of agreements resulting from unlawful communications).

(6) A credit agreement is a contract of the kind mentioned in paragraph 23 of Schedule 2, other than one under which the obligation of the borrower to repay is secured on land:

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and a credit agreement is a "regulated credit agreement" if any of the following is a regulated activity—

(a) entering into or administering the agreement;

(b) exercising or being able to exercise the rights of the lender under the agreement.

(7) In this section—

(a) "specified amount" means an amount specified in or determined in accordance with the rules;

(b) "specified period" means a period of a duration specified in or determined in accordance with the rules;

(c) "specified person" means a person of a description specified in the rules;

(d) subject to that, "specified" means specified in the rules.

Textual Amendments

F1065 S. 137C(1A)(1B) inserted (18.2.2014) by Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 131(1)**, 148(2) (with s. 131(3))

137D FCA general rules: product intervention

(1) The power of the FCA to make general rules includes power to make such rules ("product intervention rules") prohibiting authorised persons from doing anything mentioned in subsection (2) as appear to it to be necessary or expedient for the purpose of advancing—

(a) the consumer protection objective or the competition objective, or

(b) if the Treasury by order provide for this paragraph to apply, the integrity objective.

(2) Those prohibited things are—

(a) entering into specified agreements with any person or specified person;

(b) entering into specified agreements with any person or specified person unless requirements specified in the rules have been satisfied;

(c) doing anything that would or might result in the entering into of specified agreements by persons or specified persons, or the holding by them of a beneficial or other kind of economic interest in specified agreements;

(d) doing anything within paragraph (c) unless requirements specified in the rules have been satisfied.

(3) "Specified agreements" means agreements of a description specified in general rules made by the FCA.

(4) "Specified persons" means persons of a description specified in general rules made by the FCA.

(5) It is of no relevance—

(a) whether the entering into of a specified agreement itself constitutes the carrying on of a regulated activity, or

(b) whether, in a case within subsection (2)(c) or (d), the specified agreements are with the authorised persons concerned or anyone else.

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(6) The requirements that may be specified under subsection (2)(b) or (d) include in particular—

(a) requirements as to the terms and conditions that are to be, or are not to be, included in specified or other agreements, and

(b) requirements limiting invitations or inducements to enter into specified or other agreements to those made to specified persons.

(7) In relation to contraventions of product intervention rules, the rules may—

(a) provide for a relevant agreement or obligation to be unenforceable against any person or specified person;

(b) provide for the recovery of any money or other property paid or transferred under a relevant agreement or obligation by any person or specified person;

(c) provide for the payment of compensation for any loss sustained by any person or specified person as a result of paying or transferring any money or other property under a relevant agreement or obligation.

(8) "A relevant agreement or obligation" means—

(a) a specified agreement;

(b) an agreement entered into in contravention of any rule made as a result of subsection (2)(c) or (d);

(c) an obligation to which a person is subject as a result of exercising a right conferred by an agreement within paragraph (a) or (b) of this subsection.

(9) The provision that may be made as a result of subsection (7) includes provision corresponding to that made by section 30 (enforceability of agreements resulting from unlawful communications).

(10) In this section—

(a) any reference to entering into an agreement includes inviting or inducing persons to enter into an agreement, and

(b) any reference to an agreement includes an arrangement.

Modifications etc. (not altering text)

C413 S. 137D applied (1.4.2017 for specified purposes) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2017 (S.I. 2017/488), arts. 1(2), **13(1)**

C414 S. 137D applied (1.4.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2017 (S.I. 2017/488), arts. 1(2), **13(1)**

C415 S. 137D applied (with modifications) (1.1.2026) by The Financial Services and Markets Act 2023 (Mutual Recognition Agreement) (Switzerland) Regulations 2025 (S.I. 2025/1145), regs. 1(2), **13(1)**

137E Orders under s.137D(1)(b)

(1) No order may be made under section 137D(1)(b) unless—

(a) a draft of the order has been laid before Parliament and approved by a resolution of each House, or

(b) subsection (3) applies.

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

(2) Subsection (3) applies if an order under section 137D(1)(b) contains a statement that the Treasury are of the opinion that, by reason of urgency, it is necessary to make the order without a draft being so laid and approved.

(3) Where this subsection applies the order—

(a) must be laid before Parliament after being made, and

(b) ceases to have effect at the end of the relevant period unless before the end of that period the order is approved by a resolution of each House of Parliament (but without that affecting anything done under the order or the power to make a new order).

(4) The "relevant period" is a period of 28 days beginning with the day on which the order is made.

(5) In calculating the relevant period no account is to be taken of any time during which Parliament is dissolved or prorogued or during which both Houses are adjourned for more than 4 days.

137F Rules requiring participation in benchmark

(1) The power of the FCA to make general rules includes power to make rules requiring authorised persons to take specified steps in connection with the setting by a specified person of a specified benchmark.

(2) The rules may in particular—

(a) require authorised persons to whom the rules apply to provide information of a specified kind, or expressions of opinion as to specified matters, to persons determined in accordance with the rules;

(b) make provision about the form in which and the time by which any information or expression of opinion is to be provided;

(c) make provision by reference to any code or other document published by the person responsible for the setting of the benchmark or by any other person determined in accordance with the rules, as the code or other document has effect from time to time.

(3) Rules making provision of the kind mentioned in subsection (2)(c) may provide that the code or other document is to be capable of affecting obligations imposed by the rules only if specified requirements are met in relation to it.

(4) In this section—

[F1066"benchmark" means a benchmark within the meaning of section 22F1067... (6A);**]**

"specified" means specified in or determined in accordance with the rules.

Textual Amendments

F1066 Words in s. 137F(4) substituted (27.2.2018) by The Financial Services and Markets Act 2000 (Benchmarks) Regulations 2018 (S.I. 2018/135), regs. 1(2), **43(a)**

F1067 Words in s. 137F(4) omitted (1.5.2020) by virtue of The Financial Services and Markets Act 2000 (Benchmarks) Regulations 2018 (S.I. 2018/135), regs. 1(2)(b), **43(b)**

Status: *This version of this Act contains provisions that are prospective.*
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[F1068 137FA FCA general rules: disclosure of information about pension scheme transaction costs etc

(1) The FCA must make general rules requiring information about some or all of the transaction costs of a relevant scheme to be given to some or all of the persons mentioned in subsection (2).

(2) Those persons are—

(a) members of the scheme,

(b) spouses or civil partners of members, and

(c) persons within the application of the scheme and qualifying or prospectively qualifying for its benefits.

(3) The FCA must make general rules requiring the publication of information about—

(a) some or all of the transaction costs of a relevant scheme, and

(b) some or all of the **[**F1069other**]** administration charges imposed on members of a relevant scheme.

(4) Rules made by virtue of subsection (3) may require other relevant information to be published along with information about transaction costs or **[**F1070other**]** administration charges in relation to a scheme.

(5) "Other relevant information" means other information which would or may assist in making comparisons between those costs or charges and costs or charges in relation to other schemes.

(6) Before the FCA publishes a draft of any rules to be made by virtue of this section, it must consult—

(a) the Secretary of State, and

(b) the Treasury.

(7) In determining what provision to include in the rules, the FCA must have regard to any regulations about the disclosure or publication of transaction costs or **[**F1071other**]** administration charges that are for the time being in force under section 113 of the Pension Schemes Act 1993.

(8) In this section—

"administration charge" has the meaning given by paragraph 1(5) of Schedule 18 to the Pensions Act 2014;

"money purchase scheme" has the meaning given by section 181(1) of the Pension Schemes Act 1993;

"personal pension scheme" has the meaning given by section 1 of the Pension Schemes Act 1993;

"relevant scheme" means a money purchase scheme that is—

(a) a personal pension scheme where direct payment arrangements (within the meaning of section 111A of the Pension Schemes Act 1993) exist in respect of one or more members of the scheme who are workers, or

(b) a personal pension scheme which is or has been registered under section 2 of the Welfare Reform and Pensions Act 1999 (stakeholder pension schemes);

"worker" means a person—

(a) who is a worker for the purposes of Part 1 of the Pensions Act 2008, or

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Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

(b) to whom a provision of Part 1 of that Act applies as if the person were a worker because of a provision of Chapter 8 of that Part;

but for the purposes of paragraph (b), ignore section 92 of that Act.**]**

Textual Amendments

F1068 S. 137FA inserted (18.9.2017) by Pensions Act 2014 (c. 19), **ss. 44(2)**, 56(1); S.I. 2017/916, reg. 2(1) (with reg. 2(2))

F1069 Word in s. 137FA(3)(b) inserted (1.10.2021) by Pension Schemes Act 2021 (c. 1), **ss. 127(4)(a)**, 131(1); S.I. 2021/950, reg. 2(3)(j)

F1070 Word in s. 137FA(4) inserted (1.10.2021) by Pension Schemes Act 2021 (c. 1), **ss. 127(4)(b)**, 131(1); S.I. 2021/950, reg. 2(3)(j)

F1071 Word in s. 137FA(7) inserted (1.10.2021) by Pension Schemes Act 2021 (c. 1), **ss. 127(4)(c)**, 131(1); S.I. 2021/950, reg. 2(3)(j)

[

FCA general rules: pensions dashboards

F1072 137FAA

(1) The FCA must make general rules imposing requirements on specified authorised persons with respect to—

(a) providing pensions information by means of—

(i) a qualifying pensions dashboard service;

(ii) the pensions dashboard service provided by the Money and Pensions Service;

(b) facilitating the provision of pensions information by means of—

(i) a qualifying pensions dashboard service;

(ii) the pensions dashboard service provided by the Money and Pensions Service.

(2) In this section "pensions information" means, in relation to a personal or stakeholder pension scheme, information of a description specified in rules made by virtue of subsection (1), which may include in particular—

(a) information relating to—

(i) the constitution of the scheme,

(ii) the administration and finances of the scheme,

(iii) the rights and obligations that arise or may arise under the scheme,

(iv) the pensions and other benefits an entitlement to which would be likely to accrue to a member, or be capable of being secured by a member, in respect of the rights that may arise under the scheme, and

(v) other matters relevant to personal or stakeholder pension schemes in general or to personal or stakeholder pension schemes of a description to which the scheme belongs;

(b) information as regards the position of an individual in relation to the scheme.

(3) Rules made by virtue of subsection (1) may, in particular, impose requirements about—

(a) the persons to whom pensions information must be provided;

(b) the circumstances in which pensions information must be provided;

(c) the steps to be taken before pensions information may be provided;

(d) the manner and form in which pensions information must be provided;

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(e) the time within which pensions information must be provided;

(f) the way in which pensions information must be held.

(4) Rules made by virtue of subsection (1) may require specified authorised persons to comply with standards, specifications or technical requirements published from time to time by—

(a) the Secretary of State,

(b) the Money and Pensions Service, or

(c) a person specified or of a description specified in the rules.

(5) Rules made by virtue of subsection (1) may include provision under which a determination may fall to be made by—

(a) the Secretary of State,

(b) the Money and Pensions Service, or

(c) a person specified or of a description specified in the rules.

(6) Rules made by virtue of subsection (1) may require specified authorised persons to provide information specified in the rules about their carrying out of requirements specified in the rules to—

(a) the FCA,

(b) the Money and Pensions Service, or

(c) a person specified or of a description specified in the rules.

(7) Rules made by virtue of subsection (1) may require specified authorised persons to have regard, in complying with requirements specified in the rules, to guidance issued from time to time by a person specified or of a description specified in the rules.

(8) In determining what provision to include in the rules, the FCA must have regard to any regulations that are for the time being in force under—

(a) section 238D of the Pensions Act 2004, or

(b) Article 215D of the Pensions (Northern Ireland) Order 2005 (S.I. 2005/255 (N.I. 1)).

Textual Amendments

F1072 Ss. 137FAA-137FAC inserted (11.2.2021 for specified purposes, 14.10.2022 in so far as not already in force) by Pension Schemes Act 2021 (c. 1), **ss. 121(2)**, 131(1)(3)(a); S.I. 2022/1044, reg. 2(c)

137FAB Pensions dashboards: further provision

(1) General rules made by virtue of section 137FAA(1) may make provision about—

(a) how pensions information is to be provided, including provision about the use of intermediaries;

(b) the involvement of specified authorised persons in the arrangements for dealing with requests for information about pensions.

(2) The provision made by virtue of subsection (1) may, in particular, require—

(a) the use of electronic communications;

(b) the use of facilities or services specified or of a description specified in the rules;

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(c) the provision of assistance in connection with the establishment, maintenance or management of such facilities or services;

(d) participation in, or compliance with, arrangements for establishing, maintaining or managing such facilities or services.

(3) The facilities and services for which provision may be made by virtue of subsection (2)(b) may include facilities or services with functions relating to—

(a) the transmission of information,

(b) verifying the identity of a person,

(c) identifying the occupational or personal pension scheme or schemes (as defined in section 1 of the Pension Schemes Act 1993 or the Pension Schemes (Northern Ireland) Act 1993) under which pensions are payable to or in respect of a particular individual,

(d) authenticating information transmitted by means of electronic communications, or

(e) ensuring the security of information transmitted by means of electronic communications.

(4) Rules made by virtue of subsection (2)(b) may impose requirements as regards a facility or service, including requirements about—

(a) compliance with standards, specifications or technical requirements published from time to time by—

(i) the Secretary of State,

(ii) the Money and Pensions Service, or

(iii) a person specified or of a description specified in the rules;

(b) the provider of the facility or service being a person approved from time to time by—

(i) the Secretary of State,

(ii) the Money and Pensions Service, or

(iii) a person specified or of a description specified in the rules.

(5) Rules made by virtue of subsection (2)(d) may, in particular, require specified authorised persons—

(a) to cooperate with the Money and Pensions Service or a person specified or of a description specified in the rules;

(b) to coordinate activities with the Money and Pensions Service or a person specified or of a description specified in the rules.

(6) Except as provided by subsection (7), general rules made by virtue of section 137FAA(1) may provide for the processing of personal data in accordance with the rules not to be in breach of—

(a) any obligation of confidence owed by the person processing the personal data, or

(b) any other restriction on the processing of personal data (however imposed).

(7) General rules made by virtue of section 137FAA(1) are not to be read as authorising or requiring such processing of personal data as would contravene the data protection legislation (but in determining whether particular processing of data would do so, take into account the power conferred or duty imposed by the provision of the rules in question).

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Textual Amendments

F1072 Ss. 137FAA-137FAC inserted (11.2.2021 for specified purposes, 14.10.2022 in so far as not already in force) by Pension Schemes Act 2021 (c. 1), **ss. 121(2)**, 131(1)(3)(a); S.I. 2022/1044, reg. 2(c)

137FAC Sections 137FAA and 137FAB: supplementary

(1) Before the FCA publishes a draft of any general rules to be made by virtue of section 137FAA, it must consult—

(a) the Secretary of State, and

(b) the Treasury.

(2) Section 137FAA is not to be treated as requiring the FCA to make general rules by virtue of section 137FAA that come into force before regulations made under section 238D of the Pensions Act 2004 come into force.

(3) Section 137FAA is not to be treated as requiring the FCA to exercise the power to make general rules by virtue of section 137FAA in relation to every case to which the power extends.

(4) A reference in sections 137FAA and 137FAB to the Money and Pensions Service includes a reference to a person with whom arrangements are made under section 5(1), (2) or (3) of the Financial Guidance and Claims Act 2018.

(5) In sections 137FAA and 137FAB—

"the data protection legislation" has the same meaning as in the Data Protection Act 2018 (see section 3 of that Act);

"pensions dashboard service" means—

(a) a pensions dashboard service within the meaning of section 238A of the Pensions Act 2004, or

(b) a pensions dashboard service within the meaning of Article 215A of the Pensions (Northern Ireland) Order 2005 (S.I. 2005/255 (N.I. 1));

"personal data" has the same meaning as in the Data Protection Act 2018 (see section 3 of that Act);

"personal pension scheme" means a personal pension scheme within the meaning of an order under section 22 (except in section 137FAB(3)(c));

"qualifying pensions dashboard service" means a pensions dashboard service that satisfies—

(a) such requirements as may be prescribed by regulations under section 238A of the Pensions Act 2004, or

(b) such requirements as may be prescribed by regulations under Article 215A of the ;

"specified authorised person" means an authorised person of a description specified in general rules made by virtue of section 137FAA;

"stakeholder pension scheme" has the meaning given by—

(a) section 1 of the Welfare Reform and Pensions Act 1999, in relation to England and Wales and Scotland;

(b) Article 3 of the Welfare Reform and Pensions (Northern Ireland) Order 1999 (S.I. 1999/3147 (N.I. 11)), in relation to Northern Ireland.**]**

Status: *This version of this Act contains provisions that are prospective.*
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Textual Amendments

F1072 Ss. 137FAA-137FAC inserted (11.2.2021 for specified purposes, 14.10.2022 in so far as not already in force) by Pension Schemes Act 2021 (c. 1), **ss. 121(2)**, 131(1)(3)(a); S.I. 2022/1044, reg. 2(c)

[F1073 137FB FCA general rules: disclosure of information about the availability of pensions guidance

(1) The FCA must make general rules requiring information about the availability of pensions guidance to be given by the trustees or managers of a relevant pension scheme to members of the scheme, and survivors of members of the scheme, with subsisting rights in respect of any flexible benefits.

[F1074(1A) The FCA must also make general rules requiring the trustees or managers of a relevant pension scheme to take the steps mentioned in subsections (1B) and (1C) in relation to an application from a member or survivor—

(a) to transfer any rights accrued under the scheme, or

(b) to start receiving benefits provided by the scheme.

(1B) As part of the application process, the trustees or managers must ensure that—

(a) the member or survivor is referred to appropriate pensions guidance, and

(b) the member or survivor is provided with an explanation of the nature and purpose of such guidance.

(1C) Before proceeding with the application, the trustees or managers must ensure that the member or survivor has either received appropriate pensions guidance or has opted out of receiving such guidance.

(1D) The rules may—

(a) specify what constitutes appropriate pensions guidance;

(b) make further provision about how the trustees or managers must comply with the duties in subsections (1B) and (1C) (such as provision about methods of communication and time limits);

(c) make further provision about how, and to whom, a member or survivor may indicate that they have received or opted out of receiving appropriate pensions guidance for the purposes of subsection (1C);

(d) specify what the duties of the trustees or managers are in the situation where a member or survivor does not respond to a communication that is made for the purposes of complying with the duty in subsection (1C);

(e) provide for exceptions to the duties in subsections (1B) and (1C) in specified cases.]

(2) Before the FCA publishes a draft of any rules to be made by virtue of [F1075subsection (1)], it must consult—

(a) the Secretary of State, and

(b) the Treasury.

[F1076(2A) Before the FCA publishes a draft of any rules to be made by virtue of subsection (1A), it must consult—

(a) the Secretary of State, and

(b) the Money and Pensions Service.]

Status: *This version of this Act contains provisions that are prospective.*
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(3) In determining what provision to include in **[**[F1077]rules to be made by virtue of subsection (1)**]**, the FCA must have regard to any regulations that are for the time being in force under section 113 of the Pension Schemes Act 1993 concerning the giving of information about the availability of pensions guidance to members of pension schemes, and survivors of members of pension schemes, with subsisting rights in respect of any flexible benefits.

[F1078](3A) **[** In determining what provision to include in rules to be made by virtue of subsection (1A), the FCA must have regard to any regulations that are for the time being in force under section 113B of the Pension Schemes Act 1993 (occupational pension schemes: requirements to refer members to guidance etc).**]**

(4) In this section—

"flexible benefit" has the meaning given by section 74 of the Pension Schemes Act 2015;

[[F1079]"pensions guidance" means information or guidance provided by any person in pursuance of the requirements mentioned in section 4 of the Financial Guidance and Claims Act 2018 (information etc about flexible benefits under pension schemes);**]**

"relevant pension scheme" means a pension scheme set up by a person with permission under this Act to establish—

(a) a personal pension scheme within the meaning of an order under section 22, or

(b) a stakeholder pension scheme within the meaning of such an order;

"subsisting right" has the meaning given by section 76 of the Pension Schemes Act 2015;

"survivor" has the meaning given by section 76 of the Pension Schemes Act 2015.**]**

Textual Amendments

F1073 S. 137FB inserted (3.3.2015) by Pension Schemes Act 2015 (c. 8), s. 89(1)(a), **Sch. 3 para. 6** (with s. 87, Sch. 3 para. 18(1))

F1074 S. 137FB(1A)-(1D) inserted (5.7.2021 for specified purposes, 1.6.2022 in so far as not already in force) by Financial Guidance and Claims Act 2018 (c. 10), **ss. 18(2)**, 37(5); S.I. 2021/764, reg. 2(b); S.I. 2022/509, reg. 2(a)

F1075 Words in s. 137FB(2) substituted (5.7.2021) by Financial Guidance and Claims Act 2018 (c. 10), **ss. 18(3)**, 37(5); S.I. 2021/764, reg. 2(c)

F1076 S. 137FB(2A) inserted (5.7.2021) by Financial Guidance and Claims Act 2018 (c. 10), **ss. 18(4)**, 37(5) (as amended by S.I. 2019/383, reg. 1(1), **Sch. para. 11**); S.I. 2021/764, **reg. 2(c)**

F1077 Words in s. 137FB(3) substituted (5.7.2021) by Financial Guidance and Claims Act 2018 (c. 10), **ss. 18(5)**, 37(5); S.I. 2021/764, reg. 2(c)

F1078 S. 137FB(3A) inserted (5.7.2021) by Financial Guidance and Claims Act 2018 (c. 10), **ss. 18(6)**, 37(5); S.I. 2021/764, reg. 2(c)

F1079 Words in s. 137FB(4) substituted (1.1.2019) by Financial Guidance and Claims Act 2018 (c. 10), **ss. 18(7)**, 37(5); S.I. 2018/1330, reg. 2(f)

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[F1080 137FBA FCA general rules: advice about transferring or otherwise dealing with annuity payments

(1) The FCA must make general rules requiring specified authorised persons to check that an individual—

(a) who has a right to payments under a relevant annuity, and

(b) if the Treasury make regulations under subsection (3), who is not an exempt person by virtue of those regulations,

has received appropriate advice before transferring or otherwise dealing with the right to those payments.

(2) The reference in subsection (1) to a right to payments under a relevant annuity does not include a contingent right to such payments.

(3) The Treasury may by regulations provide that an individual whose financial circumstances meet criteria specified in the regulations is an exempt person for the purposes of subsection (1)(b).

(4) Regulations made under subsection (3) may (amongst other things) specify criteria based on the proportion of the individual's financial resources that is represented by the payments under the relevant annuity or the value of that annuity.

(5) The rules made by virtue of subsection (1) may include provision—

(a) about what specified authorised persons must do to check that an individual has received appropriate advice for the purposes of those rules;

(b) about when the check must be carried out.

(6) For the purposes of this section—

(a) "relevant annuity" means an annuity specified (by type, value or otherwise) as a relevant annuity in regulations made by the Treasury;

(b) "appropriate advice" means advice specified (by reference to the person giving the advice or otherwise) as appropriate advice in regulations made by the Treasury;

(c) "specified authorised person" means an authorised person of a description specified in rules made by virtue of subsection (1).

(7) If regulations under subsection (3) or (6)(a) make provision about the value of an annuity, the regulations may also make provision about the basis on which the value of an annuity is to be calculated.**]**

Textual Amendments

F1080 S. 137FBA inserted (6.7.2016) by Bank of England and Financial Services Act 2016 (c. 14), **ss. 33(2)**, 41(3); S.I. 2016/627, reg. 2(1)(x)

[F1081 137FBB FCA general rules: early exit pension charges

(1) The FCA must make general rules prohibiting authorised persons from—

(a) imposing specified early exit charges on members of relevant pension schemes, and

(b) including in relevant pension schemes provision for the imposition of specified early exit charges on members of such schemes.

Status: *This version of this Act contains provisions that are prospective.*
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(2) The rules must be made with a view to securing, so far as is reasonably possible, an appropriate degree of protection for members of relevant pension schemes against early exit charges being a deterrent on taking, converting or transferring benefits under the schemes.

(3) The rules may specify early exit charges by reference to charges of a specified class or description, or by reference to charges which exceed a specified amount.

(4) The rules made by virtue of subsection (1)(a) must prohibit the imposition of the charges after those rules come into force, whether the relevant pension scheme was established before or after those rules (or this section) came into force.

(5) In relation to a charge which is imposed, or provision for the imposition of a charge which is included in a pension scheme, in contravention of the rules, the rules may (amongst other things)—

(a) provide for the obligation to pay the charge to be unenforceable or unenforceable to a specified extent;

(b) provide for the recovery of amounts paid in respect of the charge;

(c) provide for the payment of compensation for any losses incurred as a result of paying amounts in respect of the charge.

(6) Subject to subsection (8) an early exit charge, in relation to a member of a pension scheme, is a charge which—

(a) is imposed under the scheme when a member who has reached normal minimum pension age takes the action mentioned in subsection (7), but

(b) is only imposed, or only imposed to that extent, if the member takes that action before the member's expected retirement date.

(7) The action is the member taking benefits under the scheme, converting benefits under the scheme into different benefits or transferring benefits under the scheme to another pension scheme.

(8) The Treasury may by regulations specify matters that are not to be treated as early exit charges for the purposes of this section.

(9) For the purposes of this section—

"charge", in relation to a member of a pension scheme, includes a reduction in the value of the member's benefits under the scheme;

"expected retirement date", in relation to a member of a pension scheme, means the date determined by, or in accordance with, the scheme as the date on which the member's benefits under the scheme are expected to be taken;

"normal minimum pension age" has the same meaning as in section 279(1) of the Finance Act 2004;

"relevant pension scheme" has the same meaning as in section 137FB;

and a reference to benefits includes all or any part of those benefits.**]**

Textual Amendments

F1081 S. 137FBB inserted (6.7.2016) by Bank of England and Financial Services Act 2016 (c. 14), **ss. 35(2)**, 41(3); S.I. 2016/627, reg. 2(1)(z)

Status: *This version of this Act contains provisions that are prospective.*
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[F1082 137FC FCA rules: disclosure of information about the availability of financial guidance

(1) The FCA must make general rules requiring specified authorised persons to provide information about the availability of financial guidance to the descriptions of persons specified in the rules.

(2) The rules may specify the circumstances in which the duty to provide the information applies.

(3) Before the FCA publishes a draft of any rules to be made by virtue of this section, it must consult—

(a) the Secretary of State,

(b) the Treasury, and

(c) the **[**[F1083]Money and Pensions Service**]**.

(4) In this section—

"financial guidance" means information, guidance or advice provided in pursuance of the **[**[F1084]Money and Pensions Service's**]** pensions guidance, debt advice or money guidance function (see section 3 of the Financial Guidance and Claims Act 2018);

"specified authorised person" means an authorised person of a description specified in rules made by virtue of this section.**]**

Textual Amendments

F1082 S. 137FC inserted (1.1.2019) by Financial Guidance and Claims Act 2018 (c. 10), **ss. 20**, 37(5); S.I. 2018/1003, reg. 2(b)

F1083 Words in s. 137FC(3)(c) substituted (6.4.2019) by The Financial Guidance and Claims Act 2018 (Naming and Consequential Amendments) Regulations 2019 (S.I. 2019/383), reg. 1(1), **Sch. para. 7(b)(i)**

F1084 Words in s. 137FC(4) substituted (6.4.2019) by The Financial Guidance and Claims Act 2018 (Naming and Consequential Amendments) Regulations 2019 (S.I. 2019/383), reg. 1(1), **Sch. para. 7(b)(ii)**

[F1085 137FD FCA general rules: charges for claims management services

(1) The power of the FCA to make general rules includes power to make rules prohibiting authorised persons from—

(a) entering into a specified regulated claims management agreement that provides for the payment by a person of charges which, taken with charges payable under an agreement treated by the rules as being connected with the regulated claims management agreement (if any), are specified charges, and

(b) imposing specified charges on a person in connection with the provision of a service which is, or which is provided in connection with, a specified regulated claims management activity.

(2) The FCA must make rules by virtue of subsection (1) in relation to all regulated claims management agreements, and all regulated claims management activities, which concern claims in relation to financial products or services.

(3) The rules must be made with a view to securing an appropriate degree of protection against excessive charges for the provision of a service which is, or which is provided in connection with, a regulated claims management activity.

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(4) The rules may specify charges by reference to charges of a specified class or description, or by reference to charges which exceed, or are capable of exceeding, a specified amount.

(5) In relation to an agreement entered into, or charge imposed, in contravention of the rules, the rules may (amongst other things)—

(a) provide for the agreement, or obligation to pay the charge, to be unenforceable or unenforceable to a specified extent;

(b) provide for the recovery of amounts paid under the agreement or obligation;

(c) provide for the payment of compensation for any losses incurred as a result of paying amounts under the agreement or obligation.

(6) The provision that may be made under subsection (5) includes provision corresponding to that made by section 30 (enforceability of agreements resulting from unlawful communications).

(7) In this section—

(a) "regulated claims management agreement" means an agreement, the entering into or performing of which by either party is a regulated claims management activity, and

(b) "specified" means specified in the rules, but "specified amount" means an amount specified in or determined in accordance with the rules.**]**

Textual Amendments

F1085 S. 137FD inserted (E.W.S.) (29.3.2019) by Financial Guidance and Claims Act 2018 (c. 10), **ss. 28(2)**, 37(5); S.I. 2019/743, reg. 2(a)

137G The PRA's general rules

(1) The PRA may make such rules applying to PRA-authorised persons—

(a) with respect to the carrying on by them of regulated activities, or

(b) with respect to the carrying on by them of activities which are not regulated activities,

as appear to the PRA to be necessary or expedient for the purpose of advancing any of its objectives.

(2) Rules made under this section are referred to in this Act as the PRA's general rules.

(3) The PRA's general rules may make provision applying to PRA-authorised persons even though there is no relationship between the PRA-authorised persons to whom the rules will apply and the persons whose interests will be protected by the rules.

(4) The PRA's general rules may contain requirements which take into account, in the case of a PRA-authorised person who is a member of a group, any activity of another member of the group.

F1086(5) . . . . . .

F1087(6) . . . . . .

F1087(7) . . . . . .

Status: *This version of this Act contains provisions that are prospective.*
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Textual Amendments

F1086 S. 137G(5) omitted (31.12.2020) by virtue of The EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018 (S.I. 2018/1149), reg. 1(3), **Sch. para. 10** (with reg. 4); 2020 c. 1, Sch. 5 para. 1(1)

F1087 S. 137G(6)(7) repealed (1.1.2024) by Financial Services and Markets Act 2023 (c. 29), s. 86(3), **Sch. 1 Pt. 4** (with ss. 1(4), 7(4)); S.I. 2023/779, reg. 5(e)(ii)

Modifications etc. (not altering text)

C416 S. 137G modified by S.I. 2008/2644, **art. 27(1A)** (as substituted (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 147(b)(i)**)

C417 S. 137G modified by S.I. 2008/2546, **art. 37(1A)** (as substituted (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 146(c)(i)**)

C418 S. 137G modified by S.I. 2008/2666, **art. 18(1A)** (as substituted (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 148(b)(i)**)

C419 S. 137G modified by S.I. 2008/2674, **art. 29(1A)** (as substituted (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 149(b)(i)**)

C420 S. 137G modified by S.I. 2008/432, **art. 15(1A)** (as substituted (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 136(d)(i)**)

C421 S. 137G(1) modified by S.I. 2009/3226, **art. 20(1A)** (as substituted (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 182(a)(i)**)

C422 S. 137G(1) modified by S.I. 2009/814, **art. 9(1A)** (as substituted (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 167(b)(i)**)

C423 S. 137G(1) modified (13.3.2023 at 8.00 a.m.) by The Amendments of the Law (Resolution of Silicon Valley Bank UK Limited) Order 2023 (S.I. 2023/319), arts. 1(2), **3(1)** (as amended (23.6.2023) by S.I. 2023/694, arts. 1(2), **3(3)**)

[F1088 137GA The PRA's general rules: Gibraltar

(1) The PRA's general rules may not make provision prohibiting a Gibraltar-based person from carrying on, or holding itself out as carrying on, an activity which it has a Schedule 2A permission to carry on in the United Kingdom.

(2) The Treasury may by regulations impose other limitations on what provision applying to Gibraltar-based persons with a Schedule 2A permission to carry on a regulated activity may be made in the PRA's general rules.

(3) Before making regulations under subsection (2), the Treasury must consult the PRA.]

Textual Amendments

F1088 S. 137GA inserted (1.9.2023 for specified purposes) by Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 8 para. 6**; S.I. 2023/934, reg. 2(b)(ii)

Status: *This version of this Act contains provisions that are prospective.*
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137H General rules about remuneration

(1) This section applies where either regulator exercises its power to make general rules so as to make rules prohibiting persons, or persons of a specified description, from being remunerated in a specified way.

(2) The rules may—

(a) provide that any provision of an agreement that contravenes such a prohibition is void, and

(b) provide for the recovery of any payment made, or other property transferred, in pursuance of a provision that is void by virtue of paragraph (a).

(3) A provision that, at the time the rules are made, is contained in an agreement made before that time may not be rendered void under subsection (2)(a) unless it is subsequently amended so as to contravene a prohibition referred to in that subsection.

137I Remuneration policies: Treasury direction to consider compliance

(1) This section applies where either regulator exercises its power to make general rules so as to make rules requiring authorised persons, or authorised persons of a description specified in the rules, to act in accordance with a remuneration policy.

(2) A "remuneration policy" is a policy about the remuneration by an authorised person of—

(a) officers,

(b) employees, or

(c) other persons,

of a description specified in the rules.

(3) The Treasury may direct the regulator to consider whether the remuneration policies of authorised persons specified in the direction (or of authorised persons of a description so specified) comply with requirements imposed by rules made by that regulator as to the contents of the policies.

(4) Before giving a direction under subsection (3), the Treasury must consult the regulator concerned.

(5) If the regulator considers that a remuneration policy of an authorised person fails to make provision which complies with the requirements mentioned in subsection (3), the regulator must take such steps as it considers appropriate to deal with the failure.

(6) The steps that the regulator may take include requiring the remuneration policy to be revised.

(7) "Authorised person", in relation to the PRA, means PRA-authorised person.

137J Rules about recovery plans: duty to consult

(1) Before either regulator prepares a draft of any general rules that require **[**F1089a**]** relevant person (or **[**F1089a**]** relevant person of a specified description) to prepare a recovery plan, the regulator must consult **[**F1090the Treasury**]**.

F1091(1A) **[** The FCA must also consult the Bank of England.**]**

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[F1092(2) "Relevant person" means—

(a) an institution authorised in the UK; or

(b) a qualifying parent undertaking within the meaning given by section 192B.

(3) A "recovery plan" is a document which provides for measures to be taken—

(a) by an institution authorised in the UK which is not part of a group, following a significant deterioration of the financial position of the institution, in order to restore its financial position; or

(b) in relation to a group, to achieve the stabilisation of the group as a whole, or of any institution within the group, where the group or institution is in a situation of financial stress, in order to address or remove the causes of the financial stress and restore the financial position of the group or institution.

(4) For the purposes of subsection (3)(a) the definition of "group" in section 421 applies with the omission of subsection (1)(e) and (f) of that section.**]**

(6) In this section—

"authorised person", in relation to the PRA, means PRA-authorised person;

[F1093"institution" means—

(a) a credit institution, other than an entity mentioned in Article 2.5 of the capital requirements directive; or

(b) **[**F1094a designated investment firm as defined in Article 4(1)(2AA) of the capital requirements regulation;**]]**

"institution authorised in the UK" means **[**F1095an authorised person who is**]**—

(a) a bank within the meaning given by section 2 of the Banking Act 2009;

(b) a building society within the meaning given in section 119 of the Building Societies Act 1986; or

(c) an investment firm within the meaning given by section 258A of the Banking Act 2009;

"specified" means specified in the rules.

Textual Amendments

F1089 Word in s. 137J(1) substituted (10.1.2015) by The Bank Recovery and Resolution (No. 2) Order 2014 (S.I. 2014/3348), art. 1(2), **Sch. 3 para. 2(2)**

F1090 Words in s. 137J(1) substituted for s. 137J(1)(a)(b) (1.3.2017) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 33(2)** (with Sch. 3); S.I. 2017/43, reg. 2(g)

F1091 S. 137J(1A) inserted (1.3.2017) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 33(3)** (with Sch. 3); S.I. 2017/43, reg. 2(g)

F1092 S. 137J(2)-(4) substituted for s. 137J(2)-(5) (10.1.2015) by The Bank Recovery and Resolution (No. 2) Order 2014 (S.I. 2014/3348), art. 1(2), **Sch. 3 para. 2(3)**

F1093 Words in s. 137J(6) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **35(a)**; 2020 c. 1, Sch. 5 para. 1(1)

F1094 Words in s. 137J(6) substituted (1.1.2022) by The Financial Services Act 2021 (Prudential Regulation of Credit Institutions and Investment Firms) (Consequential Amendments and Miscellaneous Provisions) Regulations 2021 (S.I. 2021/1376), regs. 1(3), **4(6)**

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F1095 Words in s. 137J(6) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **35(b)**; 2020 c. 1, Sch. 5 para. 1(1)

137K [F1096 Rules about resolution packs: duty to consult]

(1) Before [F1097 either regulator] prepares a draft of any general rules that require [F1098 a] relevant person (or [F1098 a] relevant person of a specified description) to prepare a [F1099 resolution pack], [F1100 the regulator] must consult [F1101 the Treasury].

F1102 [The FCA must also consult the Bank of England.] (1A)

[F1103 (2) "Relevant person" has the same meaning as in section 137J(2).]

(3) A "[F1104 resolution pack]" is a document containing information within subsection (4) or (5).

(4) Information is within this subsection if it relates to action to be taken in the event of—

(a) circumstances arising in which it is likely that the business (or any part of the business) of an authorised person will fail, or

(b) the failure of the business (or any part of the business) of an authorised person.

(5) Information is within this subsection if it would facilitate anything falling to be done by any person in consequence of that failure.

(6) An example of information within subsection (5) is information that, in the event of that failure, would facilitate—

(a) planning by the Treasury in relation to the possible exercise of any of its powers under Part 1 of the Banking Act 2009, or

(b) planning by the Bank of England in relation to the possible exercise of any of its powers under Part 1, 2 or 3 of that Act.

F1105 [In this section "authorised person", in relation to the PRA, means PRA-authorised (7) person.]

Textual Amendments

F1096 S. 137K heading substituted (10.1.2015) by The Bank Recovery and Resolution (No. 2) Order 2014 (S.I. 2014/3348), art. 1(2), **Sch. 3 para. 3(6)**

F1097 Words in s. 137K(1) substituted (10.1.2015) by The Bank Recovery and Resolution (No. 2) Order 2014 (S.I. 2014/3348), art. 1(2), **Sch. 3 para. 3(2)(a)(i)**

F1098 Word in s. 137K(1) substituted (10.1.2015) by The Bank Recovery and Resolution (No. 2) Order 2014 (S.I. 2014/3348), art. 1(2), **Sch. 3 para. 3(2)(b)**

F1099 Words in s. 137K(1) substituted (10.1.2015) by The Bank Recovery and Resolution (No. 2) Order 2014 (S.I. 2014/3348), art. 1(2), **Sch. 3 para. 3(3)**

F1100 Words in s. 137K(1) substituted (10.1.2015) by The Bank Recovery and Resolution (No. 2) Order 2014 (S.I. 2014/3348), art. 1(2), **Sch. 3 para. 3(2)(a)(ii)**

F1101 Words in s. 137K(1) substituted for s. 137K(1)(a)(b) (1.3.2017) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 34(2)** (with Sch. 3); S.I. 2017/43, reg. 2(g)

F1102 S. 137K(1A) inserted (1.3.2017) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 34(3)** (with Sch. 3); S.I. 2017/43, reg. 2(g)

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F1103 S. 137K(2) substituted (10.1.2015) by The Bank Recovery and Resolution (No. 2) Order 2014 (S.I. 2014/3348), art. 1(2), **Sch. 3 para. 3(4)**

F1104 Words in s. 137K(3) substituted (10.1.2015) by The Bank Recovery and Resolution (No. 2) Order 2014 (S.I. 2014/3348), art. 1(2), **Sch. 3 para. 3(3)**

F1105 S. 137K(7) inserted (10.1.2015) by The Bank Recovery and Resolution (No. 2) Order 2014 (S.I. 2014/3348), art. 1(2), **Sch. 3 para. 3(5)**

137L Interpretation of sections 137J and 137K

(1) This section has effect for the interpretation of sections 137J and 137K.

(2) References to the taking of action include the taking of action by—

(a) the authorised person,

(b) any other person in the same group as the authorised person, or

(c) a partnership of which the authorised person is a member.

(3) In subsection (2)(b) the definition of "group" in section 421 applies with the omission of subsection (1)(e) and (f) of that section.

(4) References to the business of an authorised person include the business of—

(a) any person in the same group as the authorised person, and

(b) a partnership of which the authorised person is a member.

(5) For the purposes of section 137K the cases in which the business (or any part of the business) of the authorised person ("A") is to be regarded as having failed include those where—

(a) A enters insolvency,

(b) any of the stabilisation options in Part 1 of the Banking Act 2009 is achieved in relation to A, or

(c) A falls to be taken for the purposes of the compensation scheme to be unable, or likely to be unable, to satisfy claims against A.

(6) In subsection (5)(a) "insolvency" includes—

(a) bankruptcy,

(b) liquidation,

(c) bank insolvency,

(d) administration,

(e) bank administration,

(f) receivership,

(g) a composition between A and A's creditors, and

(h) a scheme of arrangement of A's affairs.

F1106 137M Special provision relating to adequacy of resolution plans

. . . . . .

Textual Amendments

F1106 S. 137M repealed (10.1.2015) by The Bank Recovery and Resolution (No. 2) Order 2014 (S.I. 2014/3348), art. 1(2), **Sch. 3 para. 4**

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137N Recovery plans and [F1107resolution packs]: restriction on duty of confidence

(1) A contractual or other requirement imposed on a person ("P") to keep information in confidence does not apply if—

(a) the information is or may be relevant to anything required to be done as a result of a requirement imposed by general rules made by either regulator to prepare a recovery plan or a [F1108resolution pack],

(b) an authorised person or a skilled person requests or requires P to provide the information for the purpose of securing that those things are done, and

(c) the regulator in question has approved the making of the request or the imposition of the requirement before it is made or imposed.

(2) An authorised person [F1109or a qualifying parent undertaking] may provide information (whether received under subsection (1) or otherwise) that would otherwise be subject to a contractual or other requirement to keep it in confidence if it is provided for the purposes of anything required to be done as a result of a requirement imposed by general rules to prepare a recovery plan or a [F1108resolution pack].

(3) In this section, references to preparing a recovery plan or a [F1108resolution pack] include—

(a) keeping [F1110that plan or pack] up to date, and

(b) collecting specified information for the purposes of [F1111that plan or pack].

(4) In this section, references to a skilled person are to a person appointed in accordance with section 166A.

(5) In this section—

"authorised person", in relation to rules of the PRA, means a PRA-authorised person;

[F1112"qualifying parent undertaking" means—

(a) a qualifying parent undertaking within the meaning given by section 192B; F1113...

(b) F1113...]

"specified" means specified in the rules.

Textual Amendments

F1107 Words in s. 137N heading substituted (10.1.2015) by The Bank Recovery and Resolution (No. 2) Order 2014 (S.I. 2014/3348), art. 1(2), **Sch. 3 para. 5(6)**

F1108 Words in s. 137N substituted (10.1.2015) by The Bank Recovery and Resolution (No. 2) Order 2014 (S.I. 2014/3348), art. 1(2), **Sch. 3 para. 5(2)**

F1109 Words in s. 137N(2) inserted (10.1.2015) by The Bank Recovery and Resolution (No. 2) Order 2014 (S.I. 2014/3348), art. 1(2), **Sch. 3 para. 5(3)**

F1110 Words in s. 137N(3)(a) substituted (10.1.2015) by The Bank Recovery and Resolution (No. 2) Order 2014 (S.I. 2014/3348), art. 1(2), **Sch. 3 para. 5(4)**

F1111 Words in s. 137N(3)(b) substituted (10.1.2015) by The Bank Recovery and Resolution (No. 2) Order 2014 (S.I. 2014/3348), art. 1(2), **Sch. 3 para. 5(4)**

F1112 Words in s. 137N(5) inserted (10.1.2015) by The Bank Recovery and Resolution (No. 2) Order 2014 (S.I. 2014/3348), art. 1(2), **Sch. 3 para. 5(5)**

F1113 Words in s. 137N(5) omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **36**; 2020 c. 1, Sch. 5 para. 1(1)

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Specific rule-making powers

137O Threshold condition code

(1) Either regulator may make rules supplementing any of the conditions for the time being set out in or specified under Schedule 6 that is expressed to be relevant to the discharge of that regulator's functions.

(2) Rules made under this section by a regulator are referred to as that regulator's "threshold condition code".

(3) A threshold condition code may in particular—

(a) specify requirements which a person must satisfy in order to be regarded as satisfying a particular condition in relation to any regulated activities;

(b) specify matters which are, or may be, or are not, relevant in determining whether a person satisfies a particular condition in relation to any regulated activities.

(4) Except where a regulator's threshold condition code so provides, it is not to be regarded as limiting the matters that are, or may be, relevant in determining whether a person satisfies a particular condition in relation to any regulated activities.

(5) A threshold condition code cannot impose obligations that are enforceable against authorised persons otherwise than through the threshold conditions.

137P Control of information rules

(1) Either regulator may make rules ("control of information rules") about the disclosure and use of information held by an authorised person ("A").

(2) Control of information rules may—

(a) require the withholding of information which A would otherwise be required to disclose to a person ("B") for or with whom A does business in the course of carrying on any regulated or other activity;

(b) specify circumstances in which A may withhold information which A would otherwise be required to disclose to B;

(c) require A not to use for the benefit of B information—

(i) which is held by A, and

(ii) which A would otherwise be required to use for the benefit of B;

(d) specify circumstances in which A may decide not to use for the benefit of B information within paragraph (c).

Modifications etc. (not altering text)

C424 S. 137P applied (with modifications) (18.9.2023) by S.I. 2017/752, **Sch. 6 para. 3(1B)** (as inserted by The Electronic Money, Payment Card Interchange Fee and Payment Services (Amendment) Regulations 2023 (S.I. 2023/790), regs. 1(2)(a), **4(5)(a)(ii)**)

C425 S. 137P applied (with modifications) (18.9.2023) by S.I. 2011/99, **Sch. 3 para. 2A(1B)** (as inserted by The Electronic Money, Payment Card Interchange Fee and Payment Services (Amendment) Regulations 2023 (S.I. 2023/790), regs. 1(2)(a), **2(3)(a)(ii)**)

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137Q Price stabilising rules

(1) The FCA may make rules ("price stabilising rules") as to—

(a) the circumstances and manner in which,

(b) the conditions subject to which, and

(c) the time when or the period during which,

action may be taken for the purpose of stabilising the price of investments of specified kinds.

(2) Price stabilising rules—

(a) are to be made so as to apply only to authorised persons;

[[F1114](aa) must not apply to transactions, orders, behaviour, actions or omissions to which the market abuse regulation applies;**]**

(b) may make different provision in relation to different kinds of investment.

[[F1115](3) The FCA may make rules which, for the purposes of the relevant exemption provisions, treat a person who acts or engages in conduct in conformity with specified provisions as acting, or engaging in that conduct, in conformity with the relevant provisions of Article 5 (exemption for buy-back programmes and stabilisation) of the market abuse regulation.

(3A) "Specified provisions" means such provisions—

(a) corresponding to the relevant provisions of Article 5 of the market abuse regulation, and

(b) made by a body or authority outside the **[**[F1116]United Kingdom**]** as may be specified in rules made by the FCA,

as may be specified in rules made by the FCA.**]**

(4) "The relevant exemption provisions" are the following provisions of the Financial Services Act 2012—

(a) **[**[F1117]section 90(9)(d)**]**;

(b) **[**[F1118]section 91(4)(c)**]**.

[[F1119](5) In this section references to Article 5 of the market abuse regulation include—

(a) any technical standards originally adopted or made under that Article which are **[**[F1120]assimilated direct**]** legislation, and

(b) any technical standards made under that Article by the FCA.**]**

Textual Amendments

F1114 S. 137Q(2)(aa) inserted (3.7.2016) by The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **10(5)(a)**

F1115 S. 137Q(3)(3A) substituted for s. 137Q(3) (3.7.2016) by The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **10(5)(b)**

F1116 Words in s. 137Q(3A)(b) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **37(2)**; 2020 c. 1, Sch. 5 para. 1(1)

F1117 Words in s. 137Q(4)(a) substituted (3.7.2016) by The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **10(5)(c)(i)**

F1118 Words in s. 137Q(4)(b) substituted (3.7.2016) by The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **10(5)(c)(ii)**

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F1119 S. 137Q(5) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **37(3)**; 2020 c. 1, Sch. 5 para. 1(1)
F1120 Words in s. 137Q(5)(a) substituted (1.1.2024) by The Retained EU Law (Revocation and Reform) Act 2023 (Consequential Amendment) Regulations 2023 (S.I. 2023/1424), reg. 1(2), **Sch. para. 44(4)(f)**

137R Financial promotion rules

(1) The FCA may make rules applying to authorised persons about the communication by them, or their approval of the communication by others, of invitations or inducements—

(a) to engage in investment activity, **[**F1121or**]**

[F1122(aa) to engage in claims management activity, or**]**

(b) to participate in a collective investment scheme.

(2) Rules under this section may, in particular, make provision about the form and content of communications.

(3) Subsection (1) applies only to communications which—

(a) if made by a person other than an authorised person, without the approval of an authorised person, would contravene section 21(1), and

(b) may be made by an authorised person without contravening section 238(1).

(4) But subsection (3) does not prevent the FCA from making rules under subsection (1) in relation to a communication that would not contravene section 21(1) if made by a person other than an authorised person, without the approval of an authorised person, if the conditions set out in subsection (5) are satisfied.

(5) Those conditions are—

(a) that the communication would not contravene subsection (1) of section 21 because it is a communication to which that subsection does not apply as a result of an order under subsection (5) of that section,

(b) that the FCA considers that any of the **[**F1123listed requirements**]**, apply to the communication, and

(c) that the FCA considers that the rules are necessary to secure that the communication satisfies such of the **[**F1124listed requirements**]** as the FCA considers apply to the communication.

[F1125(5A) In subsection (5) "the listed requirements" means—

(a) requirements under the law of any part of the United Kingdom that appear to the FCA to correspond to requirements of—

(i) Articles 24 (general principles and information to clients) and 25 (assessment of suitability and appropriateness and reporting to clients) of the markets in financial instruments directive,

(ii) Commission Delegated Directive (EU) 2017/593 of 7 April 2016, so far as adopted under those Articles,

(iii) Article 77 of the UCITS directive,

(iv) Articles 10 and 11 of the mortgages directive,

(v) Article 17 of the insurance distribution directive, or

(vi) Article 44a of the recovery and resolution directive (as defined in paragraph (c)), and

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(b) requirements of any **[**F1126assimilated direct**]** legislation originally made under Article 24(13) or 25(8) of the markets in financial instruments directive.

(c) In paragraph (a)(vi), "recovery and resolution directive" means Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms, as it had effect immediately before IP completion day.**]**

(6) "Engage in investment activity" **[**F1127has**][**F1127and "engage in claims management activity" have**]** the same meaning as in section 21.

(7) The Treasury may by order impose limitations on the power to make rules under this section.

Textual Amendments

F1121 Word in s. 137R(1)(a) omitted (E.W.S.) (6.10.2018) by virtue of Financial Guidance and Claims Act 2018 (c. 10), **ss. 27(5)(a)**, 37(5); S.I. 2018/1045, reg. 2(a)

F1122 S. 137R(1)(aa) inserted (E.W.S.) (6.10.2018) by Financial Guidance and Claims Act 2018 (c. 10), **ss. 27(5)(a)**, 37(5); S.I. 2018/1045, reg. 2(a)

F1123 Words in s. 137R(5)(b) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **38(2)** (as amended by S.I. 2020/1350, regs. 1(2), **79(2)(a)**); 2020 c. 1, **Sch. 5 para. 1(1)**

F1124 Words in s. 137R(5)(c) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **38(3)**; 2020 c. 1, Sch. 5 para. 1(1)

F1125 S. 137R(5A) inserted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **38(4)** (as amended by S.I. 2020/1350, regs. 1(2), **79(2)(b)(i)(ii)**); 2020 c. 1, **Sch. 5 para. 1(1)**

F1126 Words in s. 137R(5A)(b) substituted (1.1.2024) by The Retained EU Law (Revocation and Reform) Act 2023 (Consequential Amendment) Regulations 2023 (S.I. 2023/1424), reg. 1(2), **Sch. para. 44(4)(g)**

F1127 Words in s. 137R(6) substituted (E.W.S.) (6.10.2018) by Financial Guidance and Claims Act 2018 (c. 10), **ss. 27(5)(b)**, 37(5); S.I. 2018/1045, reg. 2(a)

Modifications etc. (not altering text)

C426 S. 137R applied (with modifications) (8.6.2023 for specified purposes, 7.10.2023 in so far as not already in force) by The Financial Services and Markets Act 2000 (Financial Promotion) (Amendment) Order 2023 (S.I. 2023/612), art. 1(2), **Sch. para. 8** (with art. 11)

137S Financial promotion rules: directions given by FCA

(1) The FCA may give a direction under this section if—

(a) an authorised person has made, or proposes to make, a communication or has approved, or proposes to approve, another person's communication, and

(b) the FCA considers that there has been, or is likely to be, a contravention of financial promotion rules in respect of the communication or approval.

(2) A direction under this section may require the authorised person—

(a) to withdraw the communication or approval;

(b) to refrain from making the communication or giving the approval (whether or not it has previously been made or given);

(c) to publish details of the direction;

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(d) to do anything else specified in the direction in relation to the communication or approval.

(3) A requirement in a direction under this section to refrain from making or approving a communication includes a requirement to refrain from making or approving another communication where—

(a) the other communication is in all material respects the same as, or substantially the same as, the communication to which the direction relates, and

(b) in all the circumstances a reasonable person would think that another direction would be given under this section in relation to the other communication.

(4) The requirements contained in a direction under this section have effect as follows—

(a) a requirement to publish details of the direction has effect at such time (if any) as the FCA gives a notice under subsection (8)(a);

(b) any other requirement takes effect immediately.

(5) If the FCA gives a direction under this section to an authorised person—

(a) it must give written notice to the authorised person, and

(b) if the direction relates to the approval by the authorised person of another person's communication, it must also give written notice to that other person.

(6) The notice must—

(a) give details of the direction,

(b) inform the person to whom the notice is given that the direction takes effect immediately,

(c) state the FCA's reasons for giving the direction, and

(d) inform the person to whom the notice is given that the person may make representations to the FCA within such period as may be specified in the notice (which may be extended by the FCA).

(7) The FCA may amend the direction if, having considered any representations made by a person to whom notice is given under subsection (5), it considers it appropriate to do so.

(8) If, having considered any such representations, the FCA decides not to revoke the direction—

(a) the FCA must give separate written notice to the persons mentioned in subsection (5)(a) or (b), and

(b) any such person may refer the matter to the Tribunal.

(9) A notice under subsection (8)(a) must—

(a) give details of the direction and of any amendment of it,

(b) state the FCA's reasons for deciding not to revoke the direction and, if relevant, for amending it,

(c) inform the person to whom the notice is given of the person's right to refer the matter to the Tribunal, and

(d) give an indication of the procedure on such a reference.

(10) If, having considered any representations made by a person to whom notice is given under subsection (5), the FCA decides to revoke the direction, it must give separate written notice to those persons.

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(11) After the period for making representations in relation to a direction given under this section has ended, the FCA may publish such information about the direction as it considers appropriate (even if the direction is revoked).

(12) Nothing in this section requires a notice to be given to a person mentioned in subsection (5)(b) if the FCA considers it impracticable to do so.

Modifications etc. (not altering text)

C427 S. 137S applied (with modifications) (8.6.2023 for specified purposes, 7.10.2023 in so far as not already in force) by The Financial Services and Markets Act 2000 (Financial Promotion) (Amendment) Order 2023 (S.I. 2023/612), art. 1(2), **Sch. para. 9** (with art. 11)

[F1128 137SA Rules to recover expenses relating to the [F1129 Money and Pensions Service]

(1) The Secretary of State may, from time to time, notify the FCA of the amount of—

(a) the expenses incurred, or expected to be incurred, by the Secretary of State under section 11 of the Financial Guidance and Claims Act 2018 (financial assistance from Secretary of State to **[**F1130 Money and Pensions Service**]**), and

(b) any other expenses incurred, or expected to be incurred, by the Secretary of State in connection with the operation of the **[**F1131 Money and Pensions Service**]**,

that the Secretary of State considers should be recovered under this section.

(2) Where the Secretary of State has notified the FCA of an amount of expenses under subsection (1), the FCA must make rules for imposing levies with a view to recovering—

(a) the amount notified, and

(b) expenses incurred by the FCA in connection with its functions under this section.

(3) The rules must require the payment to the FCA of specified sums, or sums calculated in a specified way, by—

(a) authorised persons, electronic money issuers or payment service providers, or

(b) any specified class of authorised person, electronic money issuer or payment service provider.

(4) Before the FCA publishes a draft of rules to be made under this section it must consult the Secretary of State.

(5) The rules may be made only with the consent of the Secretary of State.

(6) The Secretary of State may notify the FCA of matters that will be taken into account when deciding whether or not to give consent under subsection (5).

(7) The FCA must have regard to any matters notified under subsection (6) before publishing a draft of rules to be made under this section.

(8) The FCA must pay the Secretary of State the sums it receives under rules made under this section, apart from those paid to recover the expenses mentioned in subsection (2)(b) (which the FCA may keep).

(9) Subsection (10) applies where—

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(a) the Secretary of State has notified the FCA under subsection (1) of an amount which included expenses expected to be incurred,

(b) the FCA has made rules to recover the amount, and paid sums received under the rules to the Secretary of State, but

(c) the expenses expected to be incurred were not in fact incurred.

(10) The Secretary of State need not arrange for the sums received under the rules to be paid back, but must, when next notifying an amount to the FCA under subsection (1), take into account the fact that the sums received included an amount representing expenses that were not in fact incurred.

(11) In this section—

"electronic money issuer" means a person who is an electronic money issuer for the purposes of the Electronic Money Regulations 2011 (S.I. 2011/99) as a result of falling within any of paragraphs (a) to (e) and (h) to (j) of the definition in regulation 2(1);

"payment service provider" means a person who is a payment service provider for the purposes of the Payment Services Regulations 2017 (S.I. 2017/752) as a result of falling within any of paragraphs (a) to (h) of the definition in regulation 2(1).**]**

Textual Amendments

F1128 S. 137SA inserted (10.5.2018) by Financial Guidance and Claims Act 2018 (c. 10), **ss. 13(1)**, 37(1)(b)

F1129 Words in s. 137SA heading substituted (6.4.2019) by The Financial Guidance and Claims Act 2018 (Naming and Consequential Amendments) Regulations 2019 (S.I. 2019/383), reg. 1(1), **Sch. para. 7(c)**

F1130 Words in s. 137SA(1)(a) substituted (6.4.2019) by The Financial Guidance and Claims Act 2018 (Naming and Consequential Amendments) Regulations 2019 (S.I. 2019/383), reg. 1(1), **Sch. para. 7(c)**

F1131 Words in s. 137SA(1)(b) substituted (6.4.2019) by The Financial Guidance and Claims Act 2018 (Naming and Consequential Amendments) Regulations 2019 (S.I. 2019/383), reg. 1(1), **Sch. para. 7(c)**

[

Rules to recover debt advice expenses incurred by the devolved authorities

F1132 137SB

(1) The Treasury may, from time to time, notify the FCA of the amount of the expenses incurred, or expected to be incurred, by the devolved authorities in connection with the provision of information and advice on debt to members of the public in Scotland, Wales and Northern Ireland.

(2) Where the Treasury have notified the FCA of an amount of expenses under subsection (1), the FCA must make rules for imposing levies with a view to recovering—

(a) the amount notified, and

(b) expenses incurred by the FCA in connection with its functions under this section.

(3) The rules must require the payment to the FCA of specified sums, or sums calculated in a specified way, by—

(a) authorised persons, electronic money issuers or payment service providers, or

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(b) any specified class of authorised person, electronic money issuer or payment service provider.

(4) Before the FCA publishes a draft of rules to be made under this section it must consult the Treasury.

(5) The rules may be made only with the consent of the Treasury.

(6) The Treasury may notify the FCA of matters that will be taken into account when deciding whether or not to give consent under subsection (5).

(7) The FCA must have regard to any matters notified under subsection (6) before publishing a draft of rules to be made under this section.

(8) The FCA must pay the Treasury the sums it receives under rules made under this section, apart from those paid to recover the expenses mentioned in subsection (2)(b) (which the FCA may keep).

(9) Subsection (10) applies where—

(a) the Treasury have notified the FCA under subsection (1) of an amount which included expenses expected to be incurred,

(b) the FCA has made rules to recover the amount, and paid sums received under the rules to the Treasury, but

(c) the expenses expected to be incurred were not in fact incurred.

(10) The Treasury need not arrange for the sums received under the rules to be paid back, but must, when next notifying an amount to the FCA under subsection (1), take into account the fact that the sums received included an amount representing expenses that were not in fact incurred.

(11) In this section—

the "devolved authorities" means—

(a) the Scottish Ministers,

(b) the Welsh Ministers, and

(c) the Department for Communities in Northern Ireland;

"electronic money issuer" and "payment service provider" have the same meanings as in section 137SA.**]**

Textual Amendments

F1132 S. 137SB inserted (1.10.2018) by Financial Guidance and Claims Act 2018 (c. 10), **ss. 14(1)**, 37(5); S.I. 2018/1003, reg. 2(a)

Supplementary powers

137T General supplementary powers

Rules made by either regulator—

(a) may make different provision for different cases and may, in particular, make different provision in respect of different descriptions of authorised persons, activity or investment,

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[F1133(aa) may make provision for any reference in the rules to an enactment (including an enactment comprised in subordinate legislation) to be read as a reference to that enactment as it has effect from time to time,**]**

(b) may make provision by reference to rules made by the other regulator, as those rules have effect from time to time, and

(c) may contain such incidental, supplemental, consequential and transitional provision as the regulator making the rule considers appropriate.

Textual Amendments

F1133 S. 137T(aa) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 66(2)**, 86(3); S.I. 2023/779, reg. 4(rr)

Modifications etc. (not altering text)

C428 S. 137T modified by S.I. 2002/1775, reg. 3(2)(a) (as amended) (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 77(4)(b)**

C429 S. 137T applied (with modifications) by S.I. 2011/99, **Sch. 3 para. 2A(2)(3)** (as inserted (13.8.2017 for specified purposes, 13.10.2017 for specified purposes, 13.1.2018 in so far as not already in force) by The Payment Services Regulations 2017 (S.I. 2017/752), reg. 1(2)(c)(iii)(3)(f)(i)(6), **Sch. 8 para. 5(31)(a)** (with reg. 3) and as amended (18.9.2023) by The Electronic Money, Payment Card Interchange Fee and Payment Services (Amendment) Regulations 2023 (S.I. 2023/790), regs. 1(2)(a), **2(3)(a)(iii)-(v)**)

C430 S. 137T applied (with modifications) (13.8.2017 for specified purposes, 13.1.2018 in so far as not already in force) by The Payment Services Regulations 2017 (S.I. 2017/752), reg. 1(2)(b)(ii)(6), **Sch. 6 para. 3(2)** (with reg. 3) (as amended (18.9.2023) by The Electronic Money, Payment Card Interchange Fee and Payment Services (Amendment) Regulations 2023 (S.I. 2023/790), regs. 1(2)(a), **4(5)(a)(iii)**)

C431 S. 137T applied (with modifications) by 2013 c. 33, **s. 97D(2)(3)** (as inserted (26.10.2018) by The Financial Regulators Powers (Technical Standards etc.) (Amendment etc.) (EU Exit) Regulations 2018 (S.I. 2018/1115), regs. 1(2), **10(4)**)

C432 S. 137T applied (with modifications) by 2013 c. 33, **Sch. 4 para. 9A(5)(6)** (as inserted (26.10.2018) by The Financial Regulators Powers (Technical Standards etc.) (Amendment etc.) (EU Exit) Regulations 2018 (S.I. 2018/1115), regs. 1(2), **10(5)(c)**)

C433 S. 137T applied (with modifications) (1.7.2021) by Regulation (EU) No. 1286/2014, Art. 4A(2)(3) (as inserted by Financial Services Act 2021 (c. 22), **ss. 38(2)**, 49(5) (with s. 38(3)); S.I. 2021/739, reg. 3(t))

C434 S. 137T applied (with modifications) (1.7.2021) by Regulation (EU) No. 648/2012, Art. 84b (as inserted by Financial Services Act 2021 (c. 22), **ss. 40(4)**, 49(5); S.I. 2021/739, reg. 3(v))

C435 S. 137T applied (with modifications) (1.7.2021) by Regulation (EU) No. 600/2014, Art. 50D (as inserted by Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 10 para. 12** (with Sch. 10 para. 13); S.I. 2021/739, reg. 3(o))

C436 S. 137T applied (with modifications) (29.8.2023) by Regulation (EU) No. 648/2012, Art. 84c (as inserted by Financial Services and Markets Act 2023 (c. 29), s. 86(3), **Sch. 2 para. 30** (with s. 2(3)); S.I. 2023/779, reg. 4(zz)(ii))

C437 S. 137T applied (with modifications) (30.1.2024 for specified purposes) by The Securitisation Regulations 2024 (S.I. 2024/102), reg. 2(1)(e)(2), Sch. 1 para. 9(2)(a), **(3)** (with reg. 52(3), Sch. 3)

C438 S. 137T applied (with modifications) (29.10.2024 for specified purposes) by S.I. 2017/701, **reg. 15A** (as inserted by Financial Services and Markets Act 2023 (c. 29), s. 86(3), **Sch. 2 para. 45** (with s. 2(3)); S.I. 2024/1071, **reg. 3(c)(ii)**)

C439 S. 137T applied (with modifications) (30.1.2024 for specified purposes, 1.11.2024 in so far as not already in force) by The Securitisation Regulations 2024 (S.I. 2024/102), reg. 2(1)(e)(2), **Sch. 1 para. 9(2)(a)(3)** (with reg. 52(3), Sch. 3) (as amended by S.I. 2024/705, regs. 1(2), **2(2)**)

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C440 S. 137T applied (1.1.2026) by The Financial Services and Markets Act 2023 (Mutual Recognition Agreement) (Switzerland) Regulations 2025 (S.I. 2025/1145), regs. 1(2), **13(3)**, 34(3)

CHAPTER 2

RULES: MODIFICATION, WAIVER, CONTRAVENTION AND PROCEDURAL PROVISIONS

Modifications etc. (not altering text)

C441 Pt. 9A Ch. 2 applied (with modifications) by S.I. 2011/99, **Sch. 3 para. 2A(2)(3)** (as inserted (13.8.2017 for specified purposes, 13.10.2017 for specified purposes, 13.1.2018 in so far as not already in force) by The Payment Services Regulations 2017 (S.I. 2017/752), reg. 1(2)(c)(iii)(3)(f)(i)(6), **Sch. 8 para. 5(31)(a)** (with reg. 3) and as amended (18.9.2023) by The Electronic Money, Payment Card Interchange Fee and Payment Services (Amendment) Regulations 2023 (S.I. 2023/790), regs. 1(2)(a), **2(3)(a)(iii)-(v)**)

C442 Pt. 9A Ch. 2 applied (with modifications) (13.8.2017 for specified purposes, 13.1.2018 in so far as not already in force) by The Payment Services Regulations 2017 (S.I. 2017/752), reg. 1(2)(b)(ii)(6), **Sch. 6 para. 3(2)** (with reg. 3) (as amended (18.9.2023) by The Electronic Money, Payment Card Interchange Fee and Payment Services (Amendment) Regulations 2023 (S.I. 2023/790), regs. 1(2)(a), **4(5)(a)(iii)**)

C443 Pt. 9A Ch. 2 applied (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **209(6)** (with reg. 209(7)); 2020 c. 1, Sch. 5 para. 1(1)

C444 Pt. 9A Ch. 2 applied (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **208(7)** (with reg. 208(8)); 2020 c. 1, Sch. 5 para. 1(1)

C445 Pt. 9A Ch. 2 applied in part (1.7.2021) by Regulation (EU) No. 600/2014, Art. 50D (as inserted by Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 10 para. 12** (with Sch. 10 para. 13); S.I. 2021/739, reg. 3(o))

C446 Pt. 9A Ch. 2 applied in part (with modifications) (29.10.2024 for specified purposes) by S.I. 2017/701, **reg. 15A** (as inserted by Financial Services and Markets Act 2023 (c. 29), s. 86(3), **Sch. 2 para. 45** (with s. 2(3)); S.I. 2024/1071, **reg. 3(c)(ii)**)

C447 Pt. 9A Ch. 2 applied (1.1.2026) by The Financial Services and Markets Act 2023 (Mutual Recognition Agreement) (Switzerland) Regulations 2025 (S.I. 2025/1145), regs. 1(2), **13(3)**, 34(3)

Modification or waiver of rules

138A Modification or waiver of rules

(1) Either regulator may, on the application or with the consent of a person who is subject to rules made by that regulator, direct that all or any of those rules—

(a) are not to apply to that person, or

(b) are to apply to that person with such modifications as may be specified in the direction.

(2) Subsection (1) does not apply to—

[F1134(za) rules made by either regulator under section 64A (rules of conduct);**]**

(a) rules made by either regulator under section 137O (threshold condition code);

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(b) rules made by the FCA under section 247 (trust scheme rules) **[**F1135, section 248 (scheme particulars rules), section 261I (contractual scheme rules) or section 261J (contractual scheme particulars rules)**]**;

F1136**[**(c) rules made by the FCA under section 309Z1 (rules of conduct).**]**

(3) An application must be made in such manner as the regulator may direct.

(4) A regulator may not give a direction unless it is satisfied that—

(a) compliance by the person with the rules, or with the rules as unmodified, would be unduly burdensome or would not achieve the purpose for which the rules were made, and

(b) the direction would not adversely affect the advancement of any of the regulator's objectives.

(5) In subsection (4)(b) "objectives", in relation to the FCA, means operational objectives.

(6) A direction may be given subject to conditions.

(7) The regulator may—

(a) revoke a direction, or

(b) vary it on the application, or with the consent, of the person to whom it relates.

(8) "Direction" means a direction under this section.

Textual Amendments

F1134 S. 138A(2)(za) inserted (25.7.2014) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 3 para. 8**; S.I. 2014/1819, art. 2(4)(b)

F1135 Words in s. 138A(2)(b) substituted (6.6.2013) by The Collective Investment in Transferable Securities (Contractual Scheme) Regulations 2013 (S.I. 2013/1388), regs. 1, **3(4)** (with reg. 24)

F1136 S. 138A(2)(c) inserted (29.6.2023 for specified purposes) by Financial Services and Markets Act 2023 (c. 29), s. 86(1)(e), **Sch. 10 para. 7**

Modifications etc. (not altering text)

C448 S. 138A applied by S.I. 2008/2674, art. 29(2) (as amended) (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 149(b)(aa)**(ii)

C449 S. 138A modified by S.I. 2002/1775, reg. 3(2)(a) (as amended) (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 77(4)(b)**

C450 S. 138A applied by S.I. 2009/3226, art. 20(2) (as amended) (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 182(a)(aa)**(ii)

C451 S. 138A applied (with modifications) by S.I. 2008/432, art. 15(2) (as amended) (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 136(d)(aa)**(ii)

C452 S. 138A applied by S.I. 2008/2644, art. 27(2) (as substituted (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 147(b)(aa)**(ii))

C453 S. 138A applied by S.I. 2008/2666, art. 18(2) (as amended) (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 148(b)(aa)**(ii)

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C454 S. 138A applied by S.I. 2008/2546, art. 37(2) (as amended) (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 146(c)(aa)**(ii)

C455 S. 138A applied (with modifications) by 2013 c. 13, **Sch. 4 para. 9A(5)(6)** (as inserted (26.10.2018) by The Financial Regulators Powers (Technical Standards etc.) (Amendment etc.) (EU Exit) Regulations 2018 (S.I. 2018/1115), **regs. 1(2)**, 10(5)(c))

C456 S. 138A applied (31.12.2020) by The Credit Rating Agencies (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/266), regs. 1(3), **4(2)(a)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

C457 S. 138A modified (13.3.2023 at 8.00 a.m.) by The Amendments of the Law (Resolution of Silicon Valley Bank UK Limited) Order 2023 (S.I. 2023/319), arts. 1(2), **3(2)** (as amended (23.6.2023) by S.I. 2023/694, arts. 1(2), **3(4)**)

C458 S. 138A applied (with modifications) (8.6.2023 for specified purposes, 7.10.2023 in so far as not already in force) by The Financial Services and Markets Act 2000 (Financial Promotion) (Amendment) Order 2023 (S.I. 2023/612), art. 1(2), **Sch. para. 10** (with art. 11)

C459 S. 138A applied in part (with modifications) (29.8.2023) by Regulation (EU) No. 648/2012, Art. 84c (as inserted by Financial Services and Markets Act 2023 (c. 29), s. 86(3), **Sch. 2 para. 30** (with s. 2(3)); S.I. 2023/779, **reg. 4(zz)(ii)**)

C460 S. 138A applied (30.1.2024 for specified purposes, 1.11.2024 in so far as not already in force) by The Securitisation Regulations 2024 (S.I. 2024/102), reg. 2(1)(e)(2), **Sch. 1 para. 9(2)(b)** (with reg. 52(3), Sch. 3); as amended by S.I. 2024/705, regs. 1(2), 2(2)

C461 S. 138A(1) modified by S.I. 2009/814, art. 9(2) (as amended) (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 167(b)(ii)**

C462 S. 138A(1)(6)(7) excluded by S.I. 2006/3221, reg. 8(2) (as amended) (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 118(h)(iii)** (with Sch. 2 para. 119)

C463 Ss. 138A(3)-(7) modified by S.I. 2001/1228, reg. 7(3)(4) (as amended) (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 41(4)**

C464 Ss. 138A(3)-(7) applied (with modifications) by S.R. 2004/335, reg. 7(3)(4) (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 87(4)**

C465 S. 138A(4) restricted by S.I. 2009/3226, art. 20(3) (as amended) (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 182(a)(aa)**(iii)

C466 S. 138A(4) restricted by S.I. 2008/432, art. 15(3) (as amended) (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 136(d)(aa)**(iii)

C467 S. 138A(4) restricted by S.I. 2008/2666, art. 18(3) (as amended) (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 148(b)(aa)**(iii)

C468 S. 138A(4) restricted by S.I. 2008/2546, art. 37(3) (as amended) (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 146(c)(aa)**(iii)

C469 S. 138A(4) excluded by S.I. 2006/3221, reg. 8(2) (as amended) (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 118(h)(iii)** (with Sch. 2 para. 119)

C470 S. 138A(4) restricted by S.I. 2008/2644, art. 27(3) (as amended) (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 147(b)(aa)**(ii)

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C471 S. 138A(4) modified by S.I. 2009/814, art. 9(3)-(5) (as amended) (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 167(b)(iii)(iv)**

C472 S. 138A(4) restricted by S.I. 2008/2674, art. 29(3) (as amended) (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 149(b)(aa)**(iii)

138B Publication of directions under section 138A

(1) Subject to subsection (2), a direction must be published by the regulator concerned in the way appearing to the regulator to be best calculated for bringing it to the attention of—

(a) persons likely to be affected by it, and

(b) persons who are, in the opinion of the regulator, likely to make an application for a similar direction.

(2) Subsection (1) does not apply if the regulator is satisfied that it is inappropriate or unnecessary to publish the direction.

(3) In deciding whether it is satisfied as mentioned in subsection (2), the regulator must—

(a) consider whether the publication of the direction would be detrimental to the stability of the UK financial system,

(b) take into account whether the direction relates to a rule contravention of which is actionable in accordance with section 138D,

(c) consider whether publication of the direction would prejudice, to an unreasonable degree, the commercial interests of the person concerned or any other member of the person's immediate group, and

(d) consider whether its publication would be contrary to an international obligation of the United Kingdom.

(4) The FCA must consult the PRA before publishing or deciding not to publish a direction which relates to—

(a) a PRA-authorised person, or

(b) an authorised person who has as a member of its immediate group a PRA-authorised person.

(5) For the purposes of paragraphs (c) and (d) of subsection (3), the regulator must consider whether it would be possible to publish the direction without either of the consequences mentioned in those paragraphs by publishing it without disclosing the identity of the person concerned.

(6) "Direction" means a direction under section 138A.

Modifications etc. (not altering text)

C473 S. 138B modified (20.2.2013) by The Financial Services Act 2012 (Transitional Provisions) (Rules and Miscellaneous Provisions) Order 2013 (S.I. 2013/161), arts. 1(1), **9(3)**(4)

C474 S. 138B applied (with modifications) by S.R. 2004/335, reg. 7(3)(4) (as amended (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 87(4)**)

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C475 S. 138B applied (with modifications) by 2013 c. 13, Sch. 4 para. 9A(5)(6) (as inserted (26.10.2018) by The Financial Regulators Powers (Technical Standards etc.) (Amendment etc.) (EU Exit) Regulations 2018 (S.I. 2018/1115), regs. 1(2), **10(5)(c)**)

C476 S. 138B applied (31.12.2020) by The Credit Rating Agencies (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/266), regs. 1(3), **4(2)(b)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

C477 S. 138B applied (with modifications) (8.6.2023 for specified purposes, 7.10.2023 in so far as not already in force) by The Financial Services and Markets Act 2000 (Financial Promotion) (Amendment) Order 2023 (S.I. 2023/612), art. 1(2), **Sch. para. 11** (with art. 11)

C478 S. 138B applied in part (with modifications) (29.8.2023) by Regulation (EU) No. 648/2012, Art. 84c (as inserted by Financial Services and Markets Act 2023 (c. 29), s. 86(3), **Sch. 2 para. 30** (with s. 2(3)); S.I. 2023/779, reg. 4(zz)(ii))

[F1137 138BDisapplication or modification of rules in individual cases

(1) This section applies to rules made by a regulator if, or to the extent that, regulations made by the Treasury provide for it to apply.

(2) The regulator may, on the application or with the consent of a person who is subject to the rules, give the person a permission that enables the person—

(a) not to apply the rules, or

(b) to apply the rules with the modifications specified in the permission.

(3) Subsections (1) and (2) do not apply to—

(a) rules made by either regulator under section 64A (rules of conduct);

(b) rules made by either regulator under section 137O (threshold condition code);

(c) rules made by the FCA under section 247 (trust scheme rules), section 248 (scheme particular rules), section 261I (contractual scheme rules) or section 261J (contractual scheme particulars rules);

(d) rules made by the FCA under section 309Z(1) (rules of conduct).

(4) The regulator may—

(a) give permission under this section subject to conditions, and

(b) revoke or vary permission given under this section.

(5) Regulations under subsection (1) may make provision about procedural matters in relation to the giving of permission under this section.

(6) Provision under subsection (5) may (among other things) include provision about—

(a) the making of applications;

(b) the determination of applications (including matters to be taken into account in doing so);

(c) the giving and withdrawal of consent;

(d) requirements as to notification or publication of decisions of a regulator under this section;

(e) appeals in respect of decisions of a regulator under this section.

(7) Before making regulations under this section in relation to rules made by a regulator the Treasury must consult the regulator.]

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Textual Amendments

F1137 S. 138BA inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 34(2)**, 86(3); S.I. 2023/779, reg. 4(x)

Modifications etc. (not altering text)

C479 S. 138BA applied (30.6.2024) by The Financial Services and Markets Act 2000 (Disapplication or Modification of Financial Regulator Rules in Individual Cases) Regulations 2024 (S.I. 2024/539), regs. 1(1), **2**

Contravention of rules

138C Evidential provisions

(1) If a particular rule made by either regulator so provides, contravention of the rule does not give rise to any of the consequences provided for by other provisions of this Act.

(2) A rule made by a regulator which so provides must also provide—

(a) that contravention may be relied on as tending to establish contravention of such other rule made by that regulator as may be specified, or

(b) that compliance may be relied on as tending to establish compliance with such other rule made by that regulator as may be specified.

(3) A rule may include the provision mentioned in subsection (1) only if the regulator making the rule considers that it is appropriate for it also to include the provision required by subsection (2).

(4) In this section "rule" does not include a rule made under—

(a) section 137O (threshold condition code);

(b) section 192J (provision of information by parent undertakings).

Modifications etc. (not altering text)

C480 S. 138C applied (1.7.2021) by Regulation (EU) No. 648/2012, Art. 84b(1)(2) (as inserted by Financial Services Act 2021 (c. 22), **ss. 40(4)**, 49(5); S.I. 2021/739, reg. 3(v))

C481 S. 138C applied (8.6.2023 for specified purposes, 7.10.2023 in so far as not already in force) by The Financial Services and Markets Act 2000 (Financial Promotion) (Amendment) Order 2023 (S.I. 2023/612), art. 1(2), **Sch. para. 1(e)** (with art. 11)

C482 S. 138C applied (with modifications) (29.8.2023) by Regulation (EU) No. 648/2012, Art. 84c (as inserted by Financial Services and Markets Act 2023 (c. 29), s. 86(3), **Sch. 2 para. 30** (with s. 2(3)); S.I. 2023/779, reg. 4(zz)(ii))

C483 S. 138C applied (with modifications) (18.9.2023) by S.I. 2017/752, **Sch. 6 para. 3(2A)** (as inserted by The Electronic Money, Payment Card Interchange Fee and Payment Services (Amendment) Regulations 2023 (S.I. 2023/790), regs. 1(2)(a), **4(5)(a)(iv)**)

C484 S. 138C applied (with modifications) (18.9.2023) by S.I. 2011/99, **Sch. 3 para. 2A(2A)** (as inserted by The Electronic Money, Payment Card Interchange Fee and Payment Services (Amendment) Regulations 2023 (S.I. 2023/790), regs. 1(2)(a), **2(3)(a)(iv)**)

C485 S. 138C applied (30.1.2024 for specified purposes, 1.11.2024 in so far as not already in force) by The Securitisation Regulations 2024 (S.I. 2024/102), reg. 2(1)(e)(2), **Sch. 1 para. 9(2)(c)** (with reg. 52(3), Sch. 3); as amended by S.I. 2024/705, regs. 1(2), 2(2)

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138D Actions for damages

(1) A rule made by the PRA may provide that contravention of the rule is actionable at the suit of a private person who suffers loss as a result of the contravention, subject to the defences and other incidents applying to actions for breach of statutory duty.

(2) A contravention by an authorised person of a rule made by the FCA is actionable at the suit of a private person who suffers loss as a result of the contravention, subject to the defences and other incidents applying to actions for breach of statutory duty.

(3) If rules made by the FCA so provide, subsection (2) does not apply to a contravention of a specified provision of the rules.

(4) In prescribed cases, a contravention of a rule which by virtue of subsection (1) or (2) would be actionable at the suit of a private person is actionable at the suit of a person who is not a private person, subject to the defences and other incidents applying to actions for breach of statutory duty.

(5) In subsections (1), (2) and (3) "rule" does not include—

[[F1138](za) rules under section 64A (rules of conduct);**]**

[[F1139](zaa) rules under Part 5A;**]**

(a) Part 6 rules;

(b) rules under section 137O (threshold condition code);

(c) rules under section 192J (provision of information by parent undertakings);

(d) a rule requiring an authorised person to have or maintain financial resources.

(6) "Private person" has such meaning as may be prescribed.

Textual Amendments

F1138 S. 138D(5)(za) inserted (25.7.2014) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 3 para. 9**; S.I. 2014/1819, art. 2(4)(b)

F1139 S. 138D(5)(zaa) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 8(6)**, 86(3); S.I. 2023/779, reg. 4(e)

Modifications etc. (not altering text)

C486 S. 138D applied by S.R. 2004/335, reg. 25(6) (as amended) (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 87(6)**

C487 S. 138D modified by S.I. 2002/1775, reg. 3(2)(a) (as amended) (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 77(4)(b)**

C488 S. 138D applied (with modifications) (13.8.2017 for specified purposes, 13.1.2018 in so far as not already in force) by The Payment Services Regulations 2017 (S.I. 2017/752), reg. 1(2)(b)(ii)(6), **Sch. 6 para. 3(3)** (with reg. 3)

C489 S. 138D applied (with modifications) (8.6.2023 for specified purposes, 7.10.2023 in so far as not already in force) by The Financial Services and Markets Act 2000 (Financial Promotion) (Amendment) Order 2023 (S.I. 2023/612), art. 1(2), **Sch. para. 12** (with art. 11)

C490 S. 138D applied (with modifications) (18.9.2023) by S.I. 2011/99, **Sch. 3 para. 2A(3)** (as substituted by The Electronic Money, Payment Card Interchange Fee and Payment Services (Amendment) Regulations 2023 (S.I. 2023/790), regs. 1(2)(a), **2(3)(a)(v)**)

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C491 S. 138D applied (with modifications) (18.9.2023) by S.I. 2017/752, **Sch. 6 para. 3(3)** (as substituted by The Electronic Money, Payment Card Interchange Fee and Payment Services (Amendment) Regulations 2023 (S.I. 2023/790), regs. 1(2)(a), **4(5)(a)(v)**)

138E Limits on effect of contravening rules

(1) A person is not guilty of an offence by reason of a contravention of a rule made by either regulator.

(2) No such contravention makes any transaction void or unenforceable.

(3) Subsection (2) does not apply in relation to—

(a) rules made by the FCA under section 137C, [F1140]...

(b) product intervention rules made by the FCA under section 137D **[**[F1141][F1142]...

(c) rules made by the FCA under section 137FBB**]**[F1143]**[**[F1144]...

(d) rules made by the FCA under section 137FD**][**[F1145]; or**]**

[[F1146](e) designated activity rules imposing under paragraph (2) of regulation 32 of the Public Offers and Admissions to Trading Regulations 2024 (withdrawal rights in connection with public offers of securities) a duty in relation to which provision made under paragraph (4) of that regulation applies.**]**

Textual Amendments

F1140 Word in s. 138E(3)(a) omitted (6.7.2016) by virtue of Bank of England and Financial Services Act 2016 (c. 14), **ss. 35(3)(a)**, 41(3); S.I. 2016/627, reg. 2(1)(z)

F1141 S. 138E(3)(c) and word inserted (6.7.2016) by Bank of England and Financial Services Act 2016 (c. 14), **ss. 35(3)(b)**, 41(3); S.I. 2016/627, reg. 2(1)(z)

F1142 Word in s. 138E(3)(b) omitted (E.W.S.) (29.3.2019) by virtue of Financial Guidance and Claims Act 2018 (c. 10), **ss. 28(3)(a)**, 37(5); S.I. 2019/743, reg. 2(a)

F1143 Word in s. 138E(3)(c) omitted (30.1.2024 for specified purposes, 19.1.2026 in so far as not already in force) by virtue of The Public Offers and Admissions to Trading Regulations 2024 (S.I. 2024/105), reg. 2(2)(3), **Sch. 3 para. 15(a)** (with regs. 48-50); S.I. 2025/1078, reg. 5(b) (with reg. 12)

F1144 S. 138E(3)(d) and word inserted (E.W.S.) (29.3.2019) by Financial Guidance and Claims Act 2018 (c. 10), **ss. 28(3)(b)**, 37(5); S.I. 2019/743, reg. 2(a)

F1145 Word in s. 138E(3)(d) inserted (30.1.2024 for specified purposes, 19.1.2026 in so far as not already in force) by The Public Offers and Admissions to Trading Regulations 2024 (S.I. 2024/105), reg. 2(2)(3), **Sch. 3 para. 15(b)** (with regs. 48-50); S.I. 2025/1078, reg. 5(b) (with reg. 12)

F1146 S. 138E(3)(e) inserted (30.1.2024 for specified purposes, 19.1.2026 in so far as not already in force) by The Public Offers and Admissions to Trading Regulations 2024 (S.I. 2024/105), reg. 2(2)(3), **Sch. 3 para. 15(c)** (with regs. 48-50); S.I. 2025/1078, reg. 5(b) (with reg. 12)

Modifications etc. (not altering text)

C492 S. 138E applied (with modifications) by 2013 c. 13, **s. 97D(2)(3)** (as inserted (26.10.2018) by The Financial Regulators Powers (Technical Standards etc.) (Amendment etc.) (EU Exit) Regulations 2018 (S.I. 2018/1115), **regs. 1(2)**, 10(4))

C493 S. 138E applied (with modifications) by 2013 c. 13, Sch. 4 para. 9A(5)(6) (as inserted (26.10.2018) by The Financial Regulators Powers (Technical Standards etc.) (Amendment etc.) (EU Exit) Regulations 2018 (S.I. 2018/1115), regs. 1(2), **10(5)(c)**)

C494 S. 138E applied (1.7.2021) by Regulation (EU) No. 648/2012, Art. 84b(1)(2) (as inserted by Financial Services Act 2021 (c. 22), **ss. 40(4)**, 49(5); S.I. 2021/739, reg. 3(v))

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C495 Ss. 138E-138H applied (8.6.2023 for specified purposes, 7.10.2023 in so far as not already in force) by The Financial Services and Markets Act 2000 (Financial Promotion) (Amendment) Order 2023 (S.I. 2023/612), art. 1(2), **Sch. para. 1(f)** (with art. 11)

C496 S. 138E applied (with modifications) (29.8.2023) by Regulation (EU) No. 648/2012, Art. 84c (as inserted by Financial Services and Markets Act 2023 (c. 29), s. 86(3), **Sch. 2 para. 30** (with s. 2(3)); S.I. 2023/779, reg. 4(zz)(ii))

C497 S. 138E applied (30.1.2024 for specified purposes, 1.11.2024 in so far as not already in force) by The Securitisation Regulations 2024 (S.I. 2024/102), reg. 2(1)(e)(2), **Sch. 1 para. 9(2)(d)** (with reg. 52(3), Sch. 3); as amended by S.I. 2024/705, regs. 1(2), 2(2)

Procedural provisions

[F1147 138EA Matters to consider when making rules

(1) This section applies where either regulator proposes to make rules.

(2) The regulator must have regard to any specified matters that are relevant to the making of the rules in question.

(3) "Specified" means specified in regulations made by the Treasury for the purposes of this section.

(4) The specification of a matter for the purposes of this section may apply generally to the making of rules or be limited in whatever way the Treasury consider appropriate, including by reference to—

(a) the power under which the rules are made;

(b) the persons to whom the rules apply;

(c) the activities or subject-matter to which the rules relate.

(5) The requirement imposed by subsection (2) does not apply in respect of any rules if, or to the extent that, the rules are made for the purposes of—

(a) complying with a direction given by the Financial Policy Committee of the Bank of England under section 9H of the Bank of England Act 1998 (directions requiring macro-prudential measures), or

(b) acting in accordance with a recommendation made by that Committee under section 9Q of that Act (recommendations about the exercise of the FCA and PRA functions).

(6) The requirement to have regard to specified matters under this section when making rules is in addition to any other requirements to have regard to matters when making such rules imposed by another provision of this Act or by any other enactment.**]**

Textual Amendments

F1147 S. 138EA inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 31(2)**, 86(3) (with savings in The Financial Services and Markets Act 2023 (Commencement No. 2 and Transitional Provisions) Regulations 2023 (S.I. 2023/936), **reg. 4**); S.I. 2023/779, **reg. 4(v)**

Modifications etc. (not altering text)

C495 Ss. 138E-138H applied (8.6.2023 for specified purposes, 7.10.2023 in so far as not already in force) by The Financial Services and Markets Act 2000 (Financial Promotion) (Amendment) Order 2023 (S.I. 2023/612), art. 1(2), **Sch. para. 1(f)** (with art. 11)

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138F Notification of rules

[If either regulator makes, alters or revokes any rules, that regulator must without delay [F1148](1)**]** give written notice **[**[F1149]to the Treasury**]**.

[The FCA must also give written notice to the Bank of England.**]** [F1150](1A)

[Subsection **[**[F1152](1A)**]** does not apply to rules made under or by virtue of section [F1151](2) **[**[F1153]137FAA,**]** 137FB, **[**[F1154]137FBA,**][**[F1155], 137FC**][**[F1156], 137SA**][**[F1157], 137SB**]**[F1158]... **[**[F1159]or 333T**].]**

Textual Amendments

F1148 S. 138F(1): s. 138F renumbered as s. 138F(1) (3.3.2015) by Pension Schemes Act 2015 (c. 8), s. 89(1)(a), **Sch. 3 para. 7(2)** (with s. 87)

F1149 Words in s. 138F(1) substituted for s. 138F(1)(a)(b) (1.3.2017) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 35(2)** (with Sch. 3); S.I. 2017/43, reg. 2(g)

F1150 S. 138F(1A) inserted (1.3.2017) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 35(3)** (with Sch. 3); S.I. 2017/43, reg. 2(g)

F1151 S. 138F(2) inserted (3.3.2015) by Pension Schemes Act 2015 (c. 8), s. 89(1)(a), **Sch. 3 para. 7(3)** (with s. 87)

F1152 Word in s. 138F(2) substituted (1.3.2017) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 35(4)** (with Sch. 3); S.I. 2017/43, reg. 2(g)

F1153 Word in s. 138F(2) inserted (11.2.2021 for specified purposes, 14.10.2022 in so far as not already in force) by Pension Schemes Act 2021 (c. 1), **ss. 121(3)**, 131(1)(3)(a); S.I. 2022/1044, reg. 2(c)

F1154 Word in s. 138F(2) inserted (6.7.2016) by Bank of England and Financial Services Act 2016 (c. 14), **ss. 33(3)**, 41(3); S.I. 2016/627, reg. 2(1)(x)

F1155 Word in s. 138F(2) inserted (1.1.2019) by Financial Guidance and Claims Act 2018 (c. 10), s. 37(5), **Sch. 3 para. 13(b)**; S.I. 2018/1330, reg. 2(g)(iii)

F1156 Word in s. 138F(2) inserted (10.5.2018) by Financial Guidance and Claims Act 2018 (c. 10), s. 37(1)(e)(ii), **Sch. 3 para. 13(a)**

F1157 Word in s. 138F(2) inserted (1.10.2018) by Financial Guidance and Claims Act 2018 (c. 10), s. 37(5), **Sch. 3 para. 13(c)**; S.I. 2018/1029, reg. 2(q)

F1158 Words in s. 138F(2) omitted (1.1.2019) by virtue of Financial Guidance and Claims Act 2018 (c. 10), s. 37(5), **Sch. 3 para. 13(d)**; S.I. 2018/1330, reg. 2(g)(iii)

F1159 Words in s. 138F(2) substituted (6.7.2016) by Bank of England and Financial Services Act 2016 (c. 14), **ss. 29(3)**, 41(3); S.I. 2016/627, reg. 2(1)(w)

Modifications etc. (not altering text)

C495 Ss. 138E-138H applied (8.6.2023 for specified purposes, 7.10.2023 in so far as not already in force) by The Financial Services and Markets Act 2000 (Financial Promotion) (Amendment) Order 2023 (S.I. 2023/612), art. 1(2), **Sch. para. 1(f)** (with art. 11)

C498 S. 138F applied (with modifications) by 2013 c. 13, **s. 97D(2)(3)** (as inserted (26.10.2018) by The Financial Regulators Powers (Technical Standards etc.) (Amendment etc.) (EU Exit) Regulations 2018 (S.I. 2018/1115), **regs. 1(2)**, 10(4))

C499 S. 138F applied (with modifications) by 2013 c. 13, Sch. 4 para. 9A(5)(6) (as inserted (26.10.2018) by The Financial Regulators Powers (Technical Standards etc.) (Amendment etc.) (EU Exit) Regulations 2018 (S.I. 2018/1115), regs. 1(2), **10(5)(c)**)

C500 Ss. 138F-138O applied by S.I. 2018/1201, Sch. 3 para. 12K(3) (as inserted (1.3.2019) by The Financial Services Contracts (Transitional and Saving Provision) (EU Exit) Regulations 2019 (S.I. 2019/405), regs. 1(2), **10(2)**)

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C501 Ss. 138F-138O applied by S.I. 2018/1201, reg. 35(3) (as inserted (1.3.2019) by The Financial Services Contracts (Transitional and Saving Provision) (EU Exit) Regulations 2019 (S.I. 2019/405), regs. 1(2), **10(3)**)

C502 Ss. 138F-138O applied by S.I. 2018/1149, reg. 63(3) (as inserted (1.3.2019) by The Financial Services Contracts (Transitional and Saving Provision) (EU Exit) Regulations 2019 (S.I. 2019/405), regs. 1(2), **3**)

C503 S. 138F applied (31.12.2020) by The Credit Rating Agencies (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/266), regs. 1(3), **4(2)(c)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

C504 Ss. 138F-138O applied (31.12.2020) by The Electronic Commerce and Solvency 2 (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/1361), regs. 1(2), **23(3)** (as amended by S.I. 2019/1390, regs. 1(2), 6); 2020 c. 1, Sch. 5 para. 1(1)

C505 S. 138F applied (1.7.2021) by Regulation (EU) No. 648/2012, Art. 84b(1)(2) (as inserted by Financial Services Act 2021 (c. 22), **ss. 40(4)**, 49(5); S.I. 2021/739, reg. 3(v))

C506 S. 138F applied (with modifications) (1.7.2021) by Regulation (EU) No. 1286/2014, Art. 4A(2)(3) (as inserted by Financial Services Act 2021 (c. 22), **ss. 38(2)**, 49(5) (with s. 38(3)); S.I. 2021/739, reg. 3(t))

C507 S. 138F applied (with modifications) (29.8.2023) by Regulation (EU) No. 648/2012, Art. 84c (as inserted by Financial Services and Markets Act 2023 (c. 29), s. 86(3), **Sch. 2 para. 30** (with s. 2(3)); S.I. 2023/779, reg. 4(zz)(ii))

138G Rule-making instruments

(1) Any power conferred on either regulator to make rules is exercisable in writing.

(2) An instrument by which rules are made by either regulator ("a rule-making instrument") must specify the provision under which the rules are made.

(3) To the extent that a rule-making instrument does not comply with subsection (2), it is void.

(4) A rule-making instrument must be published by the regulator making the rule in the way appearing to that regulator to be best calculated to bring it to the attention of the public.

(5) The regulator making the rule may charge a reasonable fee for providing a person with a copy of a rule-making instrument.

(6) A person is not to be taken to have contravened any rule made by a regulator if the person shows that at the time of the alleged contravention the rule-making instrument concerned had not been made available in accordance with this section.

Modifications etc. (not altering text)

C495 Ss. 138E-138H applied (8.6.2023 for specified purposes, 7.10.2023 in so far as not already in force) by The Financial Services and Markets Act 2000 (Financial Promotion) (Amendment) Order 2023 (S.I. 2023/612), art. 1(2), **Sch. para. 1(f)** (with art. 11)

C500 Ss. 138F-138O applied by S.I. 2018/1201, Sch. 3 para. 12K(3) (as inserted (1.3.2019) by The Financial Services Contracts (Transitional and Saving Provision) (EU Exit) Regulations 2019 (S.I. 2019/405), regs. 1(2), **10(2)**)

C501 Ss. 138F-138O applied by S.I. 2018/1201, reg. 35(3) (as inserted (1.3.2019) by The Financial Services Contracts (Transitional and Saving Provision) (EU Exit) Regulations 2019 (S.I. 2019/405), regs. 1(2), **10(3)**)

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C502 Ss. 138F-138O applied by S.I. 2018/1149, reg. 63(3) (as inserted (1.3.2019) by The Financial Services Contracts (Transitional and Saving Provision) (EU Exit) Regulations 2019 (S.I. 2019/405), regs. 1(2), **3**)

C504 Ss. 138F-138O applied (31.12.2020) by The Electronic Commerce and Solvency 2 (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/1361), regs. 1(2), **23(3)** (as amended by S.I. 2019/1390, regs. 1(2), 6); 2020 c. 1, Sch. 5 para. 1(1)

C508 S. 138G applied (with modifications) by 2013 c. 13, Sch. 4 para. 9A(5)(6) (as inserted (26.10.2018) by The Financial Regulators Powers (Technical Standards etc.) (Amendment etc.) (EU Exit) Regulations 2018 (S.I. 2018/1115), regs. 1(2), **10(5)(c)**)

C509 S. 138G applied (31.12.2020) by The Credit Rating Agencies (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/266), regs. 1(3), **4(2)(d)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

C510 S. 138G applied (1.7.2021) by Regulation (EU) No. 1286/2014, Art. 4A(2)(3) (as inserted by Financial Services Act 2021 (c. 22), **ss. 38(2)**, 49(5) (with s. 38(3)); S.I. 2021/739, reg. 3(t))

C511 S. 138G applied (1.7.2021) by Regulation (EU) No. 648/2012, Art. 84b(1)(2) (as inserted by Financial Services Act 2021 (c. 22), **ss. 40(4)**, 49(5); S.I. 2021/739, reg. 3(v))

C512 S. 138G applied (with modifications) (29.8.2023) by Regulation (EU) No. 648/2012, Art. 84c (as inserted by Financial Services and Markets Act 2023 (c. 29), s. 86(3), **Sch. 2 para. 30** (with s. 2(3)); S.I. 2023/779, reg. 4(zz)(ii))

C513 Ss. 138F-138H applied (30.1.2024 for specified purposes) by The Securitisation Regulations 2024 (S.I. 2024/102), reg. 2(1)(e)(2), **Sch. 1 para. 9(2)(e)** (with reg. 52(3), Sch. 3)

138H Verification of rules

(1) The production of a printed copy of a rule-making instrument purporting to be made by a regulator—

(a) on which is endorsed a certificate signed by a member of staff of that regulator who is authorised by the regulator for that purpose, and

(b) which contains the required statements,

is evidence (or in Scotland sufficient evidence) of the facts stated in the certificate.

(2) The required statements are—

(a) that the instrument was made by the FCA or the PRA (as the case may be),

(b) that the copy is a true copy of the instrument, and

(c) that on a specified date the instrument was made available to the public in accordance with section 138G(4).

(3) A certificate purporting to be signed as mentioned in subsection (1) is to be taken to have been properly signed unless the contrary is shown.

(4) A person who wishes in any legal proceedings to rely on a rule-making instrument may require the regulator that made the rule to endorse a copy of the instrument with a certificate of the kind mentioned in subsection (1).

Modifications etc. (not altering text)

C495 Ss. 138E-138H applied (8.6.2023 for specified purposes, 7.10.2023 in so far as not already in force) by The Financial Services and Markets Act 2000 (Financial Promotion) (Amendment) Order 2023 (S.I. 2023/612), art. 1(2), **Sch. para. 1(f)** (with art. 11)

C500 Ss. 138F-138O applied by S.I. 2018/1201, Sch. 3 para. 12K(3) (as inserted (1.3.2019) by The Financial Services Contracts (Transitional and Saving Provision) (EU Exit) Regulations 2019 (S.I. 2019/405), regs. 1(2), **10(2)**)

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C501 Ss. 138F-138O applied by S.I. 2018/1201, reg. 35(3) (as inserted (1.3.2019) by The Financial Services Contracts (Transitional and Saving Provision) (EU Exit) Regulations 2019 (S.I. 2019/405), regs. 1(2), **10(3)**)

C502 Ss. 138F-138O applied by S.I. 2018/1149, reg. 63(3) (as inserted (1.3.2019) by The Financial Services Contracts (Transitional and Saving Provision) (EU Exit) Regulations 2019 (S.I. 2019/405), regs. 1(2), **3**)

C504 Ss. 138F-138O applied (31.12.2020) by The Electronic Commerce and Solvency 2 (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/1361), regs. 1(2), **23(3)** (as amended by S.I. 2019/1390, regs. 1(2), 6); 2020 c. 1, Sch. 5 para. 1(1)

C513 Ss. 138F-138H applied (30.1.2024 for specified purposes) by The Securitisation Regulations 2024 (S.I. 2024/102), reg. 2(1)(e)(2), **Sch. 1 para. 9(2)(e)** (with reg. 52(3), Sch. 3)

C514 S. 138H modified (20.2.2013) by The Financial Services Act 2012 (Transitional Provisions) (Rules and Miscellaneous Provisions) Order 2013 (S.I. 2013/161), arts. 1(1), **3(6)**

C515 S. 138H excluded by S.I. 2002/1501, art. 12(1) (as amended) (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 76(c)(i)**

C516 S. 138H modified (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No. 2) Order 2013 (S.I. 2013/1881), arts. 1(2)(6), **64(4)**

C517 S. 138H applied (with modifications) by 2013 c. 13, **s. 97D(2)(3)** (as inserted (26.10.2018) by The Financial Regulators Powers (Technical Standards etc.) (Amendment etc.) (EU Exit) Regulations 2018 (S.I. 2018/1115), **regs. 1(2)**, 10(4))

C518 S. 138H applied (with modifications) by 2013 c. 13, Sch. 4 para. 9A(5)(6) (as inserted (26.10.2018) by The Financial Regulators Powers (Technical Standards etc.) (Amendment etc.) (EU Exit) Regulations 2018 (S.I. 2018/1115), regs. 1(2), **10(5)(c)**)

C519 S. 138H modified (E.W.S.) (29.11.2018 for specified purposes, 1.4.2019 in so far as not already in force) by The Financial Services and Markets Act 2000 (Claims Management Activity) Order 2018 (S.I. 2018/1253), arts. 1(2)(3), **85(6)**

C520 S. 138H applied (31.12.2020) by The Credit Rating Agencies (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/266), regs. 1(3), **4(2)(e)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

C521 S. 138H applied (1.7.2021) by Regulation (EU) No. 648/2012, Art. 84b(1)(2) (as inserted by Financial Services Act 2021 (c. 22), **ss. 40(4)**, 49(5); S.I. 2021/739, reg. 3(v))

C522 S. 138H applied (with modifications) (29.8.2023) by Regulation (EU) No. 648/2012, Art. 84c (as inserted by Financial Services and Markets Act 2023 (c. 29), s. 86(3), **Sch. 2 para. 30** (with s. 2(3)); S.I. 2023/779, reg. 4(zz)(ii))

138I Consultation by the FCA

(1) Before making any rules, the FCA must—

(a) consult the PRA, and

(b) after doing so, publish a draft of the proposed rules in the way appearing to the FCA to be best calculated to bring them to the attention of the public.

(2) The draft must be accompanied by—

(a) a cost benefit analysis,

(b) an explanation of the purpose of the proposed rules,

[F1160(ba) an explanation of the ways in which having regard to specified matters under section 138EA(2) has affected the proposed rules,**]**

(c) any statement prepared under section 138K(2),

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(d) an explanation of the FCA's reasons for believing that making the proposed rules is compatible with its duties under section 1B(1) **[**F1161, (4A)**]** and (5)(a), and

(e) notice that representations about the proposals may be made to the FCA within a specified time.

(3) Before making the proposed rules, the FCA must have regard to any representations made to it in accordance with subsection (2)(e).

(4) If the FCA makes the proposed rules, it must publish an account, in general terms, of—

(a) the representations made to it in accordance with subsection (2)(e), and

(b) its response to them.

F1162 **[** (4A) The FCA must include, in the account mentioned in subsection (4), a list of the respondents who made the representations, where those respondents have consented to the publication of their names.

(4B) The duty in subsection (4A) is not to be read as authorising or requiring such processing of personal data as would contravene the data protection legislation (but the duty is to be taken into account in determining whether particular processing of data would contravene that legislation).

(4C) For the purposes of this section, the exemption relating to functions conferred on the FCA mentioned in paragraph 11 of Schedule 2 to the Data Protection Act 2018 (exemption from application of listed GDPR provisions) does not apply.

(4D) Where representations are made to the FCA by a Committee of the House of Commons or the House of Lords or a Joint Committee of both Houses in accordance with subsection (2)(e), the FCA's account mentioned in subsection (4) must also describe how the FCA has considered the representations made by that Committee in making the proposed rules.**]**

(5) If the rules differ from the draft published under subsection (1)(b) in a way which is, in the opinion of the FCA, significant the FCA must publish—

(a) details of the difference (in addition to complying with subsection (4)) together with a cost benefit analysis, and

(b) any statement prepared under section 138K(4).

(6) The requirements to carry out a cost benefit analysis under this section do not apply in relation to rules made under—

(a) section 136(2);

F1163 **[** (aa) section 137FB;**]**

F1164 **[** (ab) section 137FBA;**]**

F1165 **[** (ac) section 137FC;**]**

F1166 **[** (ad) section 137SA;**]**

F1167 **[** (ae) section 137SB;**]**

(b) subsection (1) of section 213 as a result of subsection (4) of that section;

(c) section 234;

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F1168(ca) . . . . . .
F1169(cb) . . . . . .
[section 333T;**]**
F1170(cc)
(d) paragraph 23 of Schedule 1ZA;
F1171(e) . . . . . .

(7) "Cost benefit analysis" means—

(a) an analysis of the costs together with an analysis of the benefits that will arise—

(i) if the proposed rules are made, or

(ii) if subsection (5) applies, from the rules that have been made, and

(b) subject to subsection (8), an estimate of those costs and of those benefits.

(8) If, in the opinion of the FCA—

(a) the costs or benefits referred to in subsection (7) cannot reasonably be estimated, or

(b) it is not reasonably practicable to produce an estimate,

the cost benefit analysis need not estimate them, but must include a statement of the FCA's opinion and an explanation of it.

F1172(8A) **[** The requirement to provide the explanation referred to in subsection (2)(ba) does not apply in relation to any rules if—

(a) the FCA considers that the delay involved in complying with that requirement would be prejudicial to the interests of consumers (as defined in section 425A) or other persons whose interests would be protected by the rules, or

(b) the rules change existing rules and the changes consist of, or include, changes which, in the FCA's opinion, are not material.

(8B) Where an explanation is not provided by virtue of subsection (8A)(b), the draft of the rules must be accompanied by a statement of the FCA's opinion.**]**

(9) The FCA may charge a reasonable fee for providing a person with a copy of a draft published under subsection (1)(b).

F1173(9A) **[** This section does not apply to rules made by the FCA under section 271E.**]**

(10) Subsection (1)(a) does not apply to **[**F1174—

(a) rules made by the FCA under section 137FB, **[**F1175137FBA,**][**F1176, 137FC**][**F1177, 137SA**][**F1178, 137SB**]**F1179... **[**F1180or 333T**]**, or

(b)**]** rules made by the FCA in relation to recognised investment exchanges under Part 18.

(11) This section is subject to section 138L.

Textual Amendments

F1160 S. 138I(2)(ba) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 31(3)(a)**, 86(3); S.I. 2023/779, reg. 4(v)

F1161 Word in s. 138I(2)(d) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 28(7)**, 86(3); S.I. 2023/779, reg. 4(s)

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F1162 S. 138I(4A)-(4D) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 53(1)**, 86(3); S.I. 2023/779, reg. 4(mm)
F1163 S. 138I(6)(aa) inserted (3.3.2015) by Pension Schemes Act 2015 (c. 8), s. 89(1)(a), **Sch. 3 para. 8(a)** (with s. 87, Sch. 3 para. 18(1))
F1164 S. 138I(6)(ab) inserted (6.7.2016) by Bank of England and Financial Services Act 2016 (c. 14), **ss. 33(4)(a)**, 41(3); S.I. 2016/627, reg. 2(1)(x)
F1165 S. 138I(6)(ac) inserted (1.1.2019) by Financial Guidance and Claims Act 2018 (c. 10), s. 37(5), **Sch. 3 para. 14(2)(b)**; S.I. 2018/1330, reg. 2(g)(iv)
F1166 S. 138I(6)(ad) inserted (10.5.2018) by Financial Guidance and Claims Act 2018 (c. 10), s. 37(1)(e)(iii), **Sch. 3 para. 14(2)(a)**
F1167 S. 138I(6)(ae) inserted (1.10.2018) by Financial Guidance and Claims Act 2018 (c. 10), s. 37(5), **Sch. 3 para. 14(2)(c)**; S.I. 2018/1029, reg. 2(q)
F1168 S. 138I(6)(ca) omitted (1.1.2019) by virtue of Financial Guidance and Claims Act 2018 (c. 10), s. 37(5), **Sch. 3 para. 14(2)(d)**; S.I. 2018/1330, reg. 2(g)(iv)
F1169 S. 138I(6)(cb) omitted (1.1.2019) by virtue of Financial Guidance and Claims Act 2018 (c. 10), s. 37(5), **Sch. 3 para. 14(2)(d)**; S.I. 2018/1330, reg. 2(g)(iv)
F1170 S. 138I(6)(cc) inserted (6.7.2016) by Bank of England and Financial Services Act 2016 (c. 14), **ss. 29(4)(a)**, 41(3); S.I. 2016/627, reg. 2(1)(w)
F1171 S. 138I(6)(e) omitted (1.1.2019) by virtue of Financial Guidance and Claims Act 2018 (c. 10), s. 37(5), **Sch. 3 para. 14(2)(d)**; S.I. 2018/1330, reg. 2(g)(iv)
F1172 S. 138I(8A)(8B) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 31(3)(b)**, 86(3); S.I. 2023/779, reg. 4(v)
F1173 S. 138I(9A) inserted (23.2.2022) by Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 9 para. 3**; S.I. 2022/163, reg. 2(a)
F1174 S. 138I(10)(a) and word inserted (3.3.2015) by Pension Schemes Act 2015 (c. 8), s. 89(1)(a), **Sch. 3 para. 8(c)** (with s. 87)
F1175 Word in s. 138I(10)(a) inserted (6.7.2016) by Bank of England and Financial Services Act 2016 (c. 14), **ss. 33(4)(b)**, 41(3); S.I. 2016/627, reg. 2(1)(x)
F1176 Word in s. 138I(10) inserted (1.1.2019) by Financial Guidance and Claims Act 2018 (c. 10), s. 37(5), **Sch. 3 para. 14(3)(b)**; S.I. 2018/1330, reg. 2(g)(iv)
F1177 Word in s. 138I(10) inserted (10.5.2018) by Financial Guidance and Claims Act 2018 (c. 10), s. 37(1)(e)(iii), **Sch. 3 para. 14(3)(a)**
F1178 Word in s. 138I(10) inserted (1.10.2018) by Financial Guidance and Claims Act 2018 (c. 10), s. 37(5), **Sch. 3 para. 14(3)(c)**; S.I. 2018/1029, reg. 2(q)
F1179 Words in s. 138I(10) omitted (1.1.2019) by virtue of Financial Guidance and Claims Act 2018 (c. 10), s. 37(5), **Sch. 3 para. 14(3)(d)**; S.I. 2018/1330, reg. 2(g)(iv)
F1180 Words in s. 138I(10)(a) substituted (6.7.2016) by Bank of England and Financial Services Act 2016 (c. 14), **ss. 29(4)(b)**, 41(3); S.I. 2016/627, reg. 2(1)(w)

Modifications etc. (not altering text)

C500 Ss. 138F-138O applied by S.I. 2018/1201, Sch. 3 para. 12K(3) (as inserted (1.3.2019) by The Financial Services Contracts (Transitional and Saving Provision) (EU Exit) Regulations 2019 (S.I. 2019/405), regs. 1(2), **10(2)**)
C501 Ss. 138F-138O applied by S.I. 2018/1201, reg. 35(3) (as inserted (1.3.2019) by The Financial Services Contracts (Transitional and Saving Provision) (EU Exit) Regulations 2019 (S.I. 2019/405), regs. 1(2), **10(3)**)
C502 Ss. 138F-138O applied by S.I. 2018/1149, reg. 63(3) (as inserted (1.3.2019) by The Financial Services Contracts (Transitional and Saving Provision) (EU Exit) Regulations 2019 (S.I. 2019/405), regs. 1(2), **3**)
C504 Ss. 138F-138O applied (31.12.2020) by The Electronic Commerce and Solvency 2 (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/1361), regs. 1(2), **23(3)** (as amended by S.I. 2019/1390, regs. 1(2), 6); 2020 c. 1, Sch. 5 para. 1(1)

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C523 S. 138I excluded (20.2.2013) by The Financial Services Act 2012 (Transitional Provisions) (Rules and Miscellaneous Provisions) Order 2013 (S.I. 2013/161), arts. 1(1), **8(2)**

C524 S. 138I excluded by S.I. 2004/454, art. 12(1) (as amended) (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 89(b)**

C525 S. 138I excluded by S.I. 2006/3259, reg. 4 (as amended) (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 120(b)(ii)**

C526 S. 138I excluded (2.4.2013) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2013 (S.I. 2013/655), arts. 1, **9(2)**

C527 Ss. 138I-138L applied (with modifications) (22.7.2013) by The Alternative Investment Fund Managers (Amendment) Regulations 2013 (S.I. 2013/1797), regs. 1(2), **6(3)-(7)** (with reg. 6(2)) (as amended (31.12.2020) by S.I. 2019/328, regs. 1(3), **19(1)** (which is itself amended by S.I. 2019/325, **reg. 58**); 2020 c. 1, **Sch. 5 para. 1(1)**)

C528 S. 138I applied (with modifications) (26.7.2013) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No.2) Order 2013 (S.I. 2013/1881), arts. 1(4), **61(5)** (with art. 61(6)(7))

C529 S. 138I excluded (1.4.2015) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2015 (S.I. 2015/369), arts. 1, **6(2)(b)**

C530 S. 138I excluded (6.4.2015) by The Bank of England Act 1998 (Macro-prudential Measures) Order 2015 (S.I. 2015/909), arts. 1, **4(2)(a)** (with art. 4(1))

C531 S. 138I excluded (16.12.2016) by The Bank of England Act 1998 (Macro-prudential Measures) Order 2016 (S.I. 2016/1240), arts. 1, **4(2)(a)**

C532 S. 138I excluded (27.2.2018) by The Financial Services and Markets Act 2000 (Benchmarks) Regulations 2018 (S.I. 2018/135), regs. 1(2), **32(2)(b)**

C533 S. 138I excluded (10.5.2018) by Financial Guidance and Claims Act 2018 (c. 10), s. 37(1)(f), **Sch. 5 para. 7**

C534 S. 138I applied (with modifications) (29.11.2018 for specified purposes, 1.4.2019 in so far as not already in force) by The Financial Services and Markets Act 2000 (Claims Management Activity) Order 2018 (S.I. 2018/1253), arts. 1(2)(3), **84(6)-(8)**

C535 S. 138I applied (with modifications) (31.12.2020) by The Credit Rating Agencies (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/266), regs. 1(3), **4(2)(f)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

C536 S. 138I applied (with modifications) (1.7.2021) by Regulation (EU) No. 1286/2014, Art. 4A(2)(3) (as inserted by Financial Services Act 2021 (c. 22), **ss. 38(2)**, 49(5) (with s. 38(3)); S.I. 2021/739, reg. 3(t))

C537 S. 138I applied (1.7.2021) by Regulation (EU) No. 648/2012, Art. 84b(1)(2) (as inserted by Financial Services Act 2021 (c. 22), **ss. 40(4)**, 49(5) (with s. 40(5)); S.I. 2021/739, reg. 3(v))

C538 S. 138I excluded (20.10.2021) by Compensation (London Capital & Finance plc and Fraud Compensation Fund) Act 2021 (c. 29), **s. 1(3)**

C539 S. 138I modified (16.5.2022 for specified purposes, 29.7.2022 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2022 (S.I. 2022/466), arts. 1(3), **7**

C540 S. 138I restricted in part (13.3.2023 at 8.00 a.m.) by The Amendments of the Law (Resolution of Silicon Valley Bank UK Limited) Order 2023 (S.I. 2023/319), arts. 1(2), **4(1)**

C541 S. 138I applied (with modifications) (29.10.2024 for specified purposes, 31.3.2025 in so far as not already in force) by Regulation (EU) No. 600/2014, Art. 50D(2A) (as inserted by Financial Services and Markets Act 2023 (c. 29), s. 86(3), **Sch. 2 para. 27(4)** (with s. 2(3)); S.I. 2024/1071, regs. 3(b)(ix), 6(b)(iii))

C542 S. 138I applied (30.1.2024 for specified purposes, 1.11.2024 in so far as not already in force) by The Securitisation Regulations 2024 (S.I. 2024/102), reg. 2(1)(e)(2), **Sch. 1 para. 9(2)(f)** (with reg. 52(3), Sch. 3); as amended by S.I. 2024/705, regs. 1(2), 2(2)

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C543 S. 138I modified (25.2.2026 for specified purposes) by The Financial Services and Markets Act 2000 (Cryptoassets) Regulations 2026 (S.I. 2026/102), regs. 1(2)(3), **64** (with regs. 53-56)
C544 S. 138I(1)(b)(2)(e)(3) applied by S.I. 2008/346, **reg. 42(4)(4A)** (as substituted (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 134(d)**)
C545 S. 138I(2)(a) excluded (26.7.2013) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No.2) Order 2013 (S.I. 2013/1881), arts. 1(4), **61(3)** (with art. 61(6))
C546 S. 138I(2)(d) excluded (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), Sch. 1 para. 6(2), **(3)(a)** (with Sch. 12)
C547 S. 138I(2)(d) excluded (6.4.2018 immediately after 2016 c. 16 (N.I.), s. 8(2) comes into force) by The Financial Services Act 2012 (Mutual Societies) Order 2018 (S.I. 2018/323), art. 1, **Sch. 1 para. 5(3)(a)** (with art. 3)

[F1181 138IA FCA Cost Benefit Analysis Panel

(1) The FCA must establish and maintain a panel of persons (to be known as the "FCA Cost Benefit Analysis Panel") to provide advice in relation to cost benefit analyses for the purposes of section 138I.

(2) Except as provided by subsection (3), the FCA must consult the FCA Cost Benefit Analysis Panel about the following matters—
  (a) the preparation of a cost benefit analysis under section 138I(2)(a) or (5)(a);
  (b) the preparation of its statement of policy under section 138IB.

(3) The requirement to consult under subsection (2)(a) does not apply in such cases as may be set out in the statement of policy maintained under section 138IB.

(4) Arrangements made by the FCA under subsection (1) for the establishment and maintenance of the FCA Cost Benefit Analysis Panel must include arrangements for the Panel to—
  (a) keep under review how the FCA is performing generally in carrying out its duties under section 138I(2)(a) and (5)(a), and
  (b) provide to the FCA whatever recommendations the Panel thinks appropriate as a result of such review.

(5) The FCA must appoint one of the members of the FCA Cost Benefit Analysis Panel to be the chair of the Panel.

(6) The Treasury's approval is required for the appointment or dismissal of the chair.

(7) The FCA must appoint to the FCA Cost Benefit Analysis Panel such persons with knowledge or experience of the preparation of cost benefit analyses as it considers appropriate.

(8) The FCA must appoint to the FCA Cost Benefit Analysis Panel at least two individuals who are employed by persons authorised for the purposes of this Act by the FCA, with each one being employed by a different person.

(9) The FCA may appoint to the FCA Cost Benefit Analysis Panel such other persons as it considers appropriate.

(10) Subsections (7) to (9) are subject to section 1MA.

(11) The FCA must consider representations that are made to it by the FCA Cost Benefit Analysis Panel.

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(12) The FCA must from time to time publish in such manner as it thinks fit responses to the representations.**]**

Textual Amendments

F1181 S. 138IA inserted (29.8.2023 for specified purposes, 1.8.2024 in so far as not already in force) by Financial Services and Markets Act 2023 (c. 29), **ss. 43(2)**, 86(3); S.I. 2023/779, reg. 4(gg); S.I. 2023/1382, reg. 11(a)

[F1182 138IB Statement of policy in relation to cost benefit analyses

(1) The FCA must prepare and publish a statement of policy in relation to the preparation of cost benefit analyses for the purposes of section 138I.

(2) The statement must provide information about—

(a) the methodology adopted in preparing cost benefit analyses;

(b) matters to which the FCA has regard in determining whether section 138I(8) applies;

(c) matters to which the FCA has regard in determining whether an exemption under section 138L applies in relation to the preparation of a cost benefit analysis;

(d) arrangements to ensure that representations in connection with a cost benefit analysis that are made in accordance with section 138I(2)(e) are considered;

(e) cases in which the requirement to consult the FCA Cost Benefit Analysis Panel in relation to the preparation of a cost benefit analysis does not apply;

(f) arrangements to ensure that any recommendations in connection with cost benefit analyses that are made following a review carried out under section 138IA(4) are considered.

(3) The statement may include whatever other information in relation to cost benefit analyses that the FCA considers appropriate.

(4) The FCA may alter or replace a statement published under this section.

(5) The FCA must publish a statement as altered or replaced under subsection (4).

(6) Publication under this section is to be made in such manner as the FCA considers best designed to bring the statement to the attention of the public.**]**

Textual Amendments

F1182 S. 138IB inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 44(2)**, 86(3); S.I. 2023/779, reg. 4(hh)

138J Consultation by the PRA

(1) Before making any rules, the PRA must—

(a) consult the FCA, and

(b) after doing so, publish a draft of the proposed rules in the way appearing to the PRA to be best calculated to bring them to the attention of the public.

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(2) The draft must be accompanied by—

(a) a cost benefit analysis,

(b) an explanation of the purpose of the proposed rules,

[F1183(ba) an explanation of the ways in which having regard to specified matters under section 138EA(2) has affected the proposed rules,**]**

(c) any statement prepared under section 138K(2),

(d) an explanation of the PRA's reasons for believing that making the proposed rules is compatible with its duties under—

(i) section 2B(1) or, as the case requires, section 2C(1) or 2D(3), and

(ii) section 2H, and

(e) notice that representations about the proposals may be made to the PRA within a specified time.

(3) Before making the proposed rules, the PRA must have regard to any representations made to it in accordance with subsection (2)(e).

(4) If the PRA makes the proposed rules, it must publish an account, in general terms, of—

(a) the representations made to it in accordance with subsection (2)(e), and

(b) its response to them.

[F1184(4A) The PRA must include, in the account mentioned in subsection (4), a list of the respondents who made the representations, where those respondents have consented to the publication of their names.

(4B) The duty in subsection (4A) is not to be read as authorising or requiring such processing of personal data as would contravene the data protection legislation (but the duty is to be taken into account in determining whether particular processing of data would contravene that legislation).

(4C) For the purposes of this section, the exemption relating to functions conferred on the PRA mentioned in paragraph 9 of Schedule 2 to the Data Protection Act 2018 (exemption from application of listed GDPR provisions) does not apply.

(4D) Where representations are made to the PRA by a Committee of the House of Commons or the House of Lords or a Joint Committee of both Houses in accordance with subsection (2)(e), the PRA's account mentioned in subsection (4) must also describe how the PRA has considered the representations made by that Committee in making the proposed rules.**]**

(5) If the rules differ from the draft published under subsection (1)(b) in a way which is, in the opinion of the PRA, significant the PRA must publish—

(a) details of the difference (in addition to complying with subsection (4)) together with a cost benefit analysis, and

(b) any statement prepared under section 138K(4).

(6) The requirements to carry out a cost benefit analysis under this section do not apply in relation to rules made under—

(a) section 136(2);

(b) subsection (1) of section 213 as a result of subsection (4) of that section;

(c) section 234;

(d) paragraph 31 of Schedule 1ZB;

F1185(e) . . . . . .

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(7) "Cost benefit analysis" means—

(a) an analysis of the costs together with an analysis of the benefits that will arise—

(i) if the proposed rules are made, or

(ii) if subsection (5) applies, from the rules that have been made, and

(b) subject to subsection (8), an estimate of those costs and of those benefits.

(8) If, in the opinion of the PRA—

(a) the costs or benefits referred to in subsection (7) cannot reasonably be estimated, or

(b) it is not reasonably practicable to produce an estimate,

the cost benefit analysis need not estimate them, but must include a statement of the PRA's opinion and an explanation of it.

[F1186(8A) The requirement to provide the explanation referred to in subsection (2)(ba) does not apply in relation to any rules if—

(a) the PRA considers that the delay involved in complying with that requirement would—

(i) be prejudicial to the safety and soundness of PRA-authorised persons, or

(ii) in a case where section 2C applies, be prejudicial to securing the appropriate degree of protection for policyholders, or

(b) the rules change existing rules and the changes consist of, or include, changes which, in the PRA's opinion, are not material.

(8B) Where an explanation is not provided by virtue of subsection (8A)(b), the draft of the rules must be accompanied by a statement of the PRA's opinion.**]**

(9) The PRA may charge a reasonable fee for providing a person with a copy of a draft published under subsection (1)(b).

(10) This section is subject to **[**F1187sections 138L and 144E(3)**]**.

Textual Amendments

F1183 S. 138J(2)(ba) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 31(4)(a)**, 86(3) (with savings in The Financial Services and Markets Act 2023 (Commencement No. 2 and Transitional Provisions) Regulations 2023 (S.I. 2023/936), **reg. 4**); S.I. 2023/779, **reg. 4(v)**

F1184 S. 138J(4A)-(4D) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 53(2)**, 86(3); S.I. 2023/779, reg. 4(mm)

F1185 S. 138J(6)(e) omitted (6.4.2021) by virtue of Financial Guidance and Claims Act 2018 (c. 10), s. 37(5), **Sch. 3 para. 15**; S.I. 2021/433, reg. 2(b)(iii)

F1186 S. 138J(8A)(8B) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 31(4)(b)**, 86(3) (with savings in The Financial Services and Markets Act 2023 (Commencement No. 2 and Transitional Provisions) Regulations 2023 (S.I. 2023/936), **reg. 4**); S.I. 2023/779, **reg. 4(v)**

F1187 Words in s. 138J(10) substituted (9.6.2021) by Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 3 para. 12** (with Sch. 3 Pt. 4); S.I. 2021/671, reg. 2(d)

Modifications etc. (not altering text)

C500 Ss. 138F-138O applied by S.I. 2018/1201, Sch. 3 para. 12K(3) (as inserted (1.3.2019) by The Financial Services Contracts (Transitional and Saving Provision) (EU Exit) Regulations 2019 (S.I. 2019/405), regs. 1(2), **10(2)**)

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C501 Ss. 138F-138O applied by S.I. 2018/1201, reg. 35(3) (as inserted (1.3.2019) by The Financial Services Contracts (Transitional and Saving Provision) (EU Exit) Regulations 2019 (S.I. 2019/405), regs. 1(2), **10(3)**)

C502 Ss. 138F-138O applied by S.I. 2018/1149, reg. 63(3) (as inserted (1.3.2019) by The Financial Services Contracts (Transitional and Saving Provision) (EU Exit) Regulations 2019 (S.I. 2019/405), regs. 1(2), **3**)

C504 Ss. 138F-138O applied (31.12.2020) by The Electronic Commerce and Solvency 2 (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/1361), regs. 1(2), **23(3)** (as amended by S.I. 2019/1390, regs. 1(2), 6); 2020 c. 1, Sch. 5 para. 1(1)

C527 Ss. 138I-138L applied (with modifications) (22.7.2013) by The Alternative Investment Fund Managers (Amendment) Regulations 2013 (S.I. 2013/1797), regs. 1(2), **6(3)-(7)** (with reg. 6(2)) (as amended (31.12.2020) by S.I. 2019/328, regs. 1(3), **19(1)** (which is itself amended by S.I. 2019/325, **reg. 58**); 2020 c. 1, **Sch. 5 para. 1(1)**)

C548 S. 138J applied (with modifications) (26.7.2013) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No.2) Order 2013 (S.I. 2013/1881), arts. 1(4), **62(4)**(5)

C549 S. 138J excluded (6.4.2015) by The Bank of England Act 1998 (Macro-prudential Measures) Order 2015 (S.I. 2015/909), arts. 1, **4(2)(b)** (with art. 4(1))

C550 Ss. 138J, 138K excluded (6.4.2015) by The Bank of England Act 1998 (Macro-prudential Measures) (No.2) Order 2015 (S.I. 2015/905), arts. 1(2), **5(2)(a)** (with art. 5(1))

C551 S. 138J excluded (16.12.2016) by The Bank of England Act 1998 (Macro-prudential Measures) Order 2016 (S.I. 2016/1240), arts. 1, **4(2)(b)**

C552 S. 138J restricted in part (13.3.2023 at 8.00 a.m.) by The Amendments of the Law (Resolution of Silicon Valley Bank UK Limited) Order 2023 (S.I. 2023/319), arts. 1(2), **4(1)**

C553 S. 138J applied in part (with modifications) (29.8.2023) by Regulation (EU) No. 648/2012, Art. 84c (as inserted by Financial Services and Markets Act 2023 (c. 29), s. 86(3), **Sch. 2 para. 30** (with s. 2(3)); S.I. 2023/779, reg. 4(zz)(ii))

C554 S. 138J(2)(a) excluded (1.4.2013) by The Bank of England Act 1998 (Macro-prudential Measures) Order 2013 (S.I. 2013/644), arts. 1(1), **3(2)**

C555 S. 138J(2)(a) excluded (26.7.2013) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No.2) Order 2013 (S.I. 2013/1881), arts. 1(4), **62(2)**

C556 S. 138J(5)(a) restricted (25.3.2013) by The Financial Services Act 2012 (Transitional Provisions) (Miscellaneous Provisions) Order 2013 (S.I. 2013/442), arts. 1(2), **70(3)**

F1188 138JA PRA Cost Benefit Analysis Panel

(1) The PRA must establish and maintain a panel of persons (to be known as the "PRA Cost Benefit Analysis Panel") to provide advice in relation to cost benefit analyses for the purposes of section 138J.

(2) Except as provided by subsection (3), the PRA must consult the PRA Cost Benefit Analysis Panel about the following matters—

(a) the preparation of a cost benefit analysis under section 138J(2)(a) or (5)(a);

(b) the preparation of its statement of policy under section 138JB.

(3) The requirement to consult under subsection (2)(a) does not apply in such cases as may be set out in the statement of policy maintained under section 138JB.

(4) Arrangements made by the PRA under subsection (1) for the establishment and maintenance of the PRA Cost Benefit Analysis Panel must include arrangements for the Panel to—

(a) keep under review how the PRA is performing generally in carrying out its duties under section 138J(2)(a) and (5)(a), and

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(b) provide to the PRA whatever recommendations the Panel thinks appropriate as a result of such review.

(5) The PRA must appoint one of the members of the PRA Cost Benefit Analysis Panel to be the chair of the Panel.

(6) The Treasury's approval is required for the appointment or dismissal of the chair.

(7) The PRA must appoint to the PRA Cost Benefit Analysis Panel such persons with knowledge or experience of the preparation of cost benefit analyses as it considers appropriate.

(8) The PRA must appoint to the PRA Cost Benefit Analysis Panel at least two individuals who are employed by PRA-authorised persons, with each one being employed by a different person.

(9) The PRA may appoint to the PRA Cost Benefit Analysis Panel such other persons as it considers appropriate.

(10) Subsections (7) to (9) are subject to section 2LA.

(11) The PRA must consider representations that are made to it by the PRA Cost Benefit Analysis Panel.

(12) The PRA must from time to time publish in such manner as it thinks fit responses to the representations.

(13) The reference in subsection (1) to section 138J includes a reference to that section as applied in relation to the Bank of England by paragraphs 10(1) and 10A of Schedule 17A.

Textual Amendments

F1188 S. 138JA inserted (29.8.2023 for specified purposes, 1.8.2024 in so far as not already in force) by Financial Services and Markets Act 2023 (c. 29), **ss. 43(3)**, 86(3) (with savings in The Financial Services and Markets Act 2023 (Commencement No. 2 and Transitional Provisions) Regulations 2023 (S.I. 2023/936), reg. 4 (as amended (**13**.12.2023) by S.I. 2023/1382, **reg. 18(b)**)); S.I. 2023/779, **reg. 4(gg)**; S.I. 2023/1382, **reg. 11(a)**

[F1189 138JB Statement of policy in relation to cost benefit analyses

(1) The PRA must prepare and publish a statement of policy in relation to the preparation of cost benefit analyses for the purposes of section 138J.

(2) The statement must provide information about—

(a) the methodology adopted in preparing cost benefit analyses;

(b) matters to which the PRA has regard in determining whether section 138J(8) applies;

(c) matters to which the PRA has regard in determining whether an exemption under section 138L applies in relation to the preparation of a cost benefit analysis;

(d) arrangements to ensure that representations in connection with a cost benefit analysis that are made in accordance with section 138J(2)(e) are considered;

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(e) cases in which the requirement to consult the PRA Cost Benefit Analysis Panel in relation to the preparation of a cost benefit analysis does not apply;

(f) arrangements to ensure that any recommendations in connection with cost benefit analyses that are made following a review carried out under section 138JA(4) are considered.

(3) The statement may include whatever other information in relation to cost benefit analyses that the PRA considers appropriate.

(4) The PRA may alter or replace a statement published under this section.

(5) The PRA must publish a statement as altered or replaced under subsection (4).

(6) Publication under this section is to be made in such manner as the PRA considers best designed to bring the statement to the attention of the public.**]**

Textual Amendments

F1189 S. 138JB inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 44(3)**, 86(3); S.I. 2023/779, reg. 4(hh)

138K Consultation: mutual societies

(1) Subsection (2) applies where a regulator proposes to make a rule ("the proposed rule") which would apply both to—

(a) authorised persons which are mutual societies, and

(b) other authorised persons.

(2) The regulator must prepare a statement setting out—

(a) its opinion whether or not the impact of the proposed rule on persons within subsection (1)(a) will be significantly different from its impact on persons within subsection (1)(b), and

(b) if so, details of the difference.

(3) Subsection (4) applies where a regulator makes a rule which—

(a) applies both to—

(i) authorised persons which are mutual societies, and

(ii) other authorised persons, and

(b) differs from the draft of the proposed rule published under section 138I(1)(b) or section 138J(1)(b) (as the case may be).

(4) The regulator must prepare a statement setting out—

(a) its opinion whether or not the impact of the rule is significantly different from the impact of the proposed rule on—

(i) the persons within subsection (3)(a)(i), and

(ii) those persons as compared with persons within subsection (3)(a)(ii), and

(b) if so, details of the difference.

(5) A "mutual society" is—

(a) a building society within the meaning of the Building Societies Act 1986;

(b) a friendly society within the meaning of the Friendly Societies Act 1992;

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

(c) a registered society within the meaning of **[**F1190the Co-operative and Community Benefit Societies Act 2014**]**;

F1191(d) . . . . . .

F1191(6) . . . . . .

[This section is subject to section 144E(3).**]**

F1192(7)

Textual Amendments

F1190 Words in s. 138K(5)(c) substituted (1.8.2014) by Co-operative and Community Benefit Societies Act 2014 (c. 14), s. 154, **Sch. 4 para. 69** (with Sch. 5)

F1191 S. 138K(5)(d)(6) omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **39**; 2020 c. 1, Sch. 5 para. 1(1)

F1192 S. 138K(7) inserted (9.6.2021) by Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 3 para. 13** (with Sch. 3 Pt. 4); S.I. 2021/671, reg. 2(d)

Modifications etc. (not altering text)

C500 Ss. 138F-138O applied by S.I. 2018/1201, Sch. 3 para. 12K(3) (as inserted (1.3.2019) by The Financial Services Contracts (Transitional and Saving Provision) (EU Exit) Regulations 2019 (S.I. 2019/405), regs. 1(2), **10(2)**)

C501 Ss. 138F-138O applied by S.I. 2018/1201, reg. 35(3) (as inserted (1.3.2019) by The Financial Services Contracts (Transitional and Saving Provision) (EU Exit) Regulations 2019 (S.I. 2019/405), regs. 1(2), **10(3)**)

C502 Ss. 138F-138O applied by S.I. 2018/1149, reg. 63(3) (as inserted (1.3.2019) by The Financial Services Contracts (Transitional and Saving Provision) (EU Exit) Regulations 2019 (S.I. 2019/405), regs. 1(2), **3**)

C504 Ss. 138F-138O applied (31.12.2020) by The Electronic Commerce and Solvency 2 (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/1361), regs. 1(2), **23(3)** (as amended by S.I. 2019/1390, regs. 1(2), 6); 2020 c. 1, Sch. 5 para. 1(1)

C527 Ss. 138I-138L applied (with modifications) (22.7.2013) by The Alternative Investment Fund Managers (Amendment) Regulations 2013 (S.I. 2013/1797), regs. 1(2), **6(3)-(7)** (with reg. 6(2)) (as amended (31.12.2020) by S.I. 2019/328, regs. 1(3), **19(1)** (which is itself amended by S.I. 2019/325, **reg. 58**); 2020 c. 1, **Sch. 5 para. 1(1)**)

C550 Ss. 138J, 138K excluded (6.4.2015) by The Bank of England Act 1998 (Macro-prudential Measures) (No.2) Order 2015 (S.I. 2015/905), arts. 1(2), **5(2)(a)** (with art. 5(1))

C557 S. 138K excluded (20.2.2013) by The Financial Services Act 2012 (Transitional Provisions) (Rules and Miscellaneous Provisions) Order 2013 (S.I. 2013/161), arts. 1(1), **8(2)**

C558 S. 138K excluded (6.4.2015) by The Bank of England Act 1998 (Macro-prudential Measures) Order 2015 (S.I. 2015/909), arts. 1, **4(2)** (with art. 4(1))

C559 S. 138K excluded (16.12.2016) by The Bank of England Act 1998 (Macro-prudential Measures) Order 2016 (S.I. 2016/1240), arts. 1, **4(2)(b)**

C560 S. 138K restricted (13.3.2023 at 8.00 a.m.) by The Amendments of the Law (Resolution of Silicon Valley Bank UK Limited) Order 2023 (S.I. 2023/319), arts. 1(2), **4(1)**

138L Consultation: general exemptions

(1) Sections 138I(1)(b) and (2) to (5) and 138K do not apply in relation to rules made by the FCA if the FCA considers that the delay involved in complying with them would be prejudicial to the interests of consumers, as defined in section 425A.

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

(2) Sections 138J(1)(b) and (2) to (5) and 138K do not apply in relation to rules made by the PRA if the PRA considers that the delay involved in complying with them would—

(a) be prejudicial to the safety and soundness of PRA-authorised persons, or

(b) in a case where section 2C applies, be prejudicial to securing the appropriate degree of protection for policyholders.

(3) The provisions listed in subsection (4) do not apply if the regulator concerned considers that, making the appropriate comparison—

(a) there will be no increase in costs, or

(b) there will be an increase in costs but that increase will be of minimal significance.

(4) Those provisions are—

(a) subsections (2)(a) and (5)(a) of section 138I;

(b) subsections (2)(a) and (5)(a) of section 138J.

(5) The "appropriate comparison" means—

(a) in relation to section 138I(2)(a) or 138J(2)(a), a comparison between the overall position if the rules are made and the overall position if the rules are not made;

(b) in relation to section 138I(5)(a) or 138J(5)(a), a comparison between the overall position after the making of the rules and the overall position before they were made.

Modifications etc. (not altering text)

C500 Ss. 138F-138O applied by S.I. 2018/1201, Sch. 3 para. 12K(3) (as inserted (1.3.2019) by The Financial Services Contracts (Transitional and Saving Provision) (EU Exit) Regulations 2019 (S.I. 2019/405), regs. 1(2), **10(2)**)

C501 Ss. 138F-138O applied by S.I. 2018/1201, reg. 35(3) (as inserted (1.3.2019) by The Financial Services Contracts (Transitional and Saving Provision) (EU Exit) Regulations 2019 (S.I. 2019/405), regs. 1(2), **10(3)**)

C502 Ss. 138F-138O applied by S.I. 2018/1149, reg. 63(3) (as inserted (1.3.2019) by The Financial Services Contracts (Transitional and Saving Provision) (EU Exit) Regulations 2019 (S.I. 2019/405), regs. 1(2), **3**)

C504 Ss. 138F-138O applied (31.12.2020) by The Electronic Commerce and Solvency 2 (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/1361), regs. 1(2), **23(3)** (as amended by S.I. 2019/1390, regs. 1(2), 6); 2020 c. 1, Sch. 5 para. 1(1)

C527 Ss. 138I-138L applied (with modifications) (22.7.2013) by The Alternative Investment Fund Managers (Amendment) Regulations 2013 (S.I. 2013/1797), regs. 1(2), **6(3)-(7)** (with reg. 6(2)) (as amended (31.12.2020) by S.I. 2019/328, regs. 1(3), **19(1)** (which is itself amended by S.I. 2019/325, **reg. 58**); 2020 c. 1, **Sch. 5 para. 1(1)**)

C561 S. 138L applied (1.7.2021) by Regulation (EU) No. 648/2012, Art. 84b(1)(2) (as inserted by Financial Services Act 2021 (c. 22), **ss. 40(4)**, 49(5); S.I. 2021/739, **reg. 3(v)**)

C562 S. 138L applied (with modifications) (1.7.2021) by Regulation (EU) No. 1286/2014, Art. 4A(2)(3) (as inserted by Financial Services Act 2021 (c. 22), **ss. 38(2)**, 49(5) (with s. 38(3)); S.I. 2021/739, reg. 3(t))

C563 S. 138L applied in part (with modifications) (29.8.2023) by Regulation (EU) No. 648/2012, Art. 84c (as inserted by Financial Services and Markets Act 2023 (c. 29), s. 86(3), **Sch. 2 para. 30** (with s. 2(3)); S.I. 2023/779, reg. 4(zz)(ii))

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

C564 S. 138L applied (30.1.2024 for specified purposes, 1.11.2024 in so far as not already in force) by The Securitisation Regulations 2024 (S.I. 2024/102), reg. 2(1)(e)(2), **Sch. 1 para. 9(2)(f)** (with reg. 52(3), Sch. 3); as amended by S.I. 2024/705, regs. 1(2), 2(2)

C565 S. 138L(1)(2) modified by S.I. 2008/2666, art. 19(1) (as amended) (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 148(c)(i)**

C566 S. 138L(1)(2) modified by S.I. 2009/3226, art. 21(1) (as amended) (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 182(b)(i)**

C567 S. 138L(1)(2) modified by S.I. 2008/2674, art. 30(1) (as amended) (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 149(c)(i)**

C568 S. 138L(1)(2) modified by S.I. 2008/2546, art. 38(1) (as amended) (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 146(d)(i)**

C569 S. 138L(1)(2) modified by S.I. 2008/2644, art. 28(1) (as amended) (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 147(c)(i)**

C570 S. 138L(1)(2) modified by S.I. 2008/432, art. 16(1) (as amended) (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 136(e)(aa)**(i)

C571 S. 138L(1)(2) modified by S.I. 2009/814, art. 10(1) (as amended) (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 167(c)(i)**

C572 S. 138L(1) modified (13.1.2018) by The Payment Services Regulations 2017 (S.I. 2017/752), reg. 1(6), **Sch. 7 para. 3(1)** (with reg. 3)

C573 S. 138L(1) modified by S.I. 2011/99, Sch. 5 para. 3(1) (as inserted (13.1.2018) by The Payment Systems and Services and Electronic Money (Miscellaneous Amendments) Regulations 2017 (S.I. 2017/1173), regs. 1(4), **5(d)**)

138M Consultation: exemptions for temporary product intervention rules

(1) Sections 138I(1)(b) and (2) to (5) and 138K do not apply in relation to product intervention rules made by the FCA if it considers that it is necessary or expedient not to comply with them for the purpose of advancing—

(a) the consumer protection objective or the competition objective, or

(b) if an order under section 137D(1)(b) is in force, the integrity objective.

(2) Any rules made as a result of subsection (1) ("temporary product intervention rules") are to cease to have effect at the end of the period specified in the rules.

(3) The longest period that may be specified is the period of 12 months beginning with the day on which the rules come into force.

(4) Nothing in subsection (2) prevents the FCA from revoking temporary product intervention rules before the end of the period mentioned there.

(5) If the FCA has made temporary product intervention rules ("the initial rules"), it may not make further temporary product intervention rules containing the same, or substantially the same, provision as that contained in the initial rules until the prohibited period has ended.

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

(6) "The prohibited period" means the period of 12 months beginning with the day on which the period mentioned in subsection (2) ends (whether or not the initial rules have been revoked before the end of the period mentioned there).

Modifications etc. (not altering text)

C500 Ss. 138F-138O applied by S.I. 2018/1201, Sch. 3 para. 12K(3) (as inserted (1.3.2019) by The Financial Services Contracts (Transitional and Saving Provision) (EU Exit) Regulations 2019 (S.I. 2019/405), regs. 1(2), **10(2)**)

C501 Ss. 138F-138O applied by S.I. 2018/1201, reg. 35(3) (as inserted (1.3.2019) by The Financial Services Contracts (Transitional and Saving Provision) (EU Exit) Regulations 2019 (S.I. 2019/405), regs. 1(2), **10(3)**)

C502 Ss. 138F-138O applied by S.I. 2018/1149, reg. 63(3) (as inserted (1.3.2019) by The Financial Services Contracts (Transitional and Saving Provision) (EU Exit) Regulations 2019 (S.I. 2019/405), regs. 1(2), **3**)

C504 Ss. 138F-138O applied (31.12.2020) by The Electronic Commerce and Solvency 2 (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/1361), regs. 1(2), **23(3)** (as amended by S.I. 2019/1390, regs. 1(2), 6); 2020 c. 1, Sch. 5 para. 1(1)

C574 Ss. 138M-138O applied (with modifications) (22.11.2024 for specified purposes) by The Consumer Composite Investments (Designated Activities) Regulations 2024 (S.I. 2024/1198), reg. 2(1)(c)(2), **Sch. 1 para. 1**

138N Temporary product intervention rules: statement of policy

(1) The FCA must prepare and issue a statement of its policy with respect to the making of temporary product intervention rules.

(2) The FCA may at any time alter or replace a statement issued under this section.

(3) If a statement issued under this section is altered or replaced, the FCA must issue the altered or replacement statement.

(4) The FCA must, without delay, give the Treasury a copy of any statement which it publishes under this section.

(5) A statement issued under this section must be published by the FCA in the way appearing to the FCA to be best calculated to bring it to the attention of the public.

(6) The FCA may charge a reasonable fee for providing a person with a copy of the statement.

Modifications etc. (not altering text)

C500 Ss. 138F-138O applied by S.I. 2018/1201, Sch. 3 para. 12K(3) (as inserted (1.3.2019) by The Financial Services Contracts (Transitional and Saving Provision) (EU Exit) Regulations 2019 (S.I. 2019/405), regs. 1(2), **10(2)**)

C501 Ss. 138F-138O applied by S.I. 2018/1201, reg. 35(3) (as inserted (1.3.2019) by The Financial Services Contracts (Transitional and Saving Provision) (EU Exit) Regulations 2019 (S.I. 2019/405), regs. 1(2), **10(3)**)

C502 Ss. 138F-138O applied by S.I. 2018/1149, reg. 63(3) (as inserted (1.3.2019) by The Financial Services Contracts (Transitional and Saving Provision) (EU Exit) Regulations 2019 (S.I. 2019/405), regs. 1(2), **3**)

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

C504 Ss. 138F-138O applied (31.12.2020) by The Electronic Commerce and Solvency 2 (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/1361), regs. 1(2), **23(3)** (as amended by S.I. 2019/1390, regs. 1(2), 6); 2020 c. 1, Sch. 5 para. 1(1)

C574 Ss. 138M-138O applied (with modifications) (22.11.2024 for specified purposes) by The Consumer Composite Investments (Designated Activities) Regulations 2024 (S.I. 2024/1198), reg. 2(1)(c)(2), **Sch. 1 para. 1**

138O Statement of policy under section 138N: procedure

(1) Before issuing a statement under section 138N, the FCA must publish a draft of the proposed statement in the way appearing to the FCA to be best calculated to bring it to the attention of the public.

(2) The draft must be accompanied by notice that representations about the proposal may be made to the FCA within a specified time.

(3) Before issuing the proposed statement, the FCA must have regard to any representations made to it in accordance with subsection (2).

(4) If the FCA issues the proposed statement it must publish an account, in general terms, of—

(a) the representations made to it in accordance with subsection (2), and

(b) its response to them.

(5) If the statement differs from the draft published under subsection (1) in a way which is, in the opinion of the FCA, significant, the FCA must (in addition to complying with subsection (4)) publish details of the difference.

(6) The FCA may charge a reasonable fee for providing a person with a copy of a draft published under subsection (1).

(7) This section also applies to a proposal to alter or replace a statement.

Modifications etc. (not altering text)

C500 Ss. 138F-138O applied by S.I. 2018/1201, Sch. 3 para. 12K(3) (as inserted (1.3.2019) by The Financial Services Contracts (Transitional and Saving Provision) (EU Exit) Regulations 2019 (S.I. 2019/405), regs. 1(2), **10(2)**)

C501 Ss. 138F-138O applied by S.I. 2018/1201, reg. 35(3) (as inserted (1.3.2019) by The Financial Services Contracts (Transitional and Saving Provision) (EU Exit) Regulations 2019 (S.I. 2019/405), regs. 1(2), **10(3)**)

C502 Ss. 138F-138O applied by S.I. 2018/1149, reg. 63(3) (as inserted (1.3.2019) by The Financial Services Contracts (Transitional and Saving Provision) (EU Exit) Regulations 2019 (S.I. 2019/405), regs. 1(2), **3**)

C504 Ss. 138F-138O applied (31.12.2020) by The Electronic Commerce and Solvency 2 (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/1361), regs. 1(2), **23(3)** (as amended by S.I. 2019/1390, regs. 1(2), 6); 2020 c. 1, Sch. 5 para. 1(1)

C574 Ss. 138M-138O applied (with modifications) (22.11.2024 for specified purposes) by The Consumer Composite Investments (Designated Activities) Regulations 2024 (S.I. 2024/1198), reg. 2(1)(c)(2), **Sch. 1 para. 1**

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

[F1193CHAPTER 2A

TECHNICAL STANDARDS

Textual Amendments

F1193 Pt. 9A Ch. 2A inserted (26.10.2018) by The Financial Regulators Powers (Technical Standards etc.) (Amendment etc.) (EU Exit) Regulations 2018 (S.I. 2018/1115), regs. 1(2), **7(8)**

138P. Technical standards

(1) This Chapter applies where a power for the FCA, the PRA, the Bank of England, or any combination of them to make technical standards is substituted for the power of an EU entity to make EU tertiary legislation ("the original EU power") by regulations made under section 8 of the European Union (Withdrawal) Act 2018.

(2) The power to make technical standards includes power to modify, amend or revoke—

(a) any technical standards made by the regulator under that power;

(b) any EU tertiary legislation made by an EU entity under the original EU power which forms part of **[**F1194assimilated**]** law.

(3) Where power to make a technical standard for the same purposes (as set out in the provision creating the power) and applying to the same persons or class of persons has been given to more than one regulator, no regulator may exercise the power without the consent of the other regulator or regulators.

(4) Before a regulator makes a technical standard in which another regulator has an interest, it must consult the other regulator.

(5) For the purposes of subsection (4)—

(a) the PRA has an interest in a technical standard which—

(i) applies to PRA-authorised persons or other persons connected to them, or

(ii) may affect the exercise of the PRA's functions under or by virtue of this Act or under **[**F1195assimilated**]** law;

(b) the FCA has an interest in all technical standards which a regulator or the Payment Systems Regulator has power to amend;

(c) the Bank of England has an interest in technical standards which—

(i) apply to central counterparties, to financial counterparties or non-financial counterparties within the meaning of the EMIR regulation or to central securities depositories, or

(ii) may affect the exercise of the Bank's functions under or by virtue of this Act, the Banking Act 2009 or **[**F1196assimilated**]** law.

(6) For the purposes of this Chapter—

(a) "EU tertiary legislation" has the meaning given in section 20 of the European Union (Withdrawal) Act 2018;

(b) "regulator" means the FCA, the PRA or the Bank of England;

(c) a person is connected with another person in the circumstances set out in section 165(11).

["the EMIR regulation" has the meaning given in section 313.**]**

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

F1197(d)

Textual Amendments

F1194 Word in s. 138P(2)(b) substituted (1.1.2024) by The Retained EU Law (Revocation and Reform) Act 2023 (Consequential Amendment) Regulations 2023 (S.I. 2023/1424), reg. 1(2), **Sch. para. 44(2)(b)**

F1195 Word in s. 138P(5)(a)(ii) substituted (1.1.2024) by The Retained EU Law (Revocation and Reform) Act 2023 (Consequential Amendment) Regulations 2023 (S.I. 2023/1424), reg. 1(2), **Sch. para. 44(2)(b)**

F1196 Word in s. 138P(5)(c)(ii) substituted (1.1.2024) by The Retained EU Law (Revocation and Reform) Act 2023 (Consequential Amendment) Regulations 2023 (S.I. 2023/1424), reg. 1(2), **Sch. para. 44(2)(b)**

F1197 S. 138P(6)(d) inserted (25.6.2020) by The Over the Counter Derivatives, Central Counterparties and Trade Repositories (Amendment, etc., and Transitional Provision) (EU Exit) Regulations 2020 (S.I. 2020/646), regs. 1(2)(b), **2(2)**

138Q. Standards instruments

(1) The power to make technical standards is to be exercised by the regulator by making an instrument under this section (a "standards instrument").

(2) A standards instrument must specify the provision under which the instrument is being made.

(3) To the extent that a standards instrument does not comply with subsection (2), it is void.

(4) A standards instrument must be published by the regulator making the instrument in the way appearing to the regulator to be best calculated to bring it to the attention of the public.

(5) The Treasury must lay before Parliament a copy of each standards instrument made under this section.

(6) The regulator making the instrument may charge a reasonable fee for providing a person with a copy of a standards instrument.

138R. Treasury approval

(1) A standards instrument may be made only if it has been approved by the Treasury.

(2) The Treasury may refuse to approve a standards instrument if subsection (3) or (5) applies.

(3) This subsection applies if it appears to the Treasury that the instrument would—

(a) have implications for public funds (within the meaning of section 78(2) of the Banking Act 2009); or

(b) prejudice any current or proposed negotiations for an international agreement between the United Kingdom and one or more other countries, international organisations or institutions.

(4) For the purposes of subsection (3), "international organisations" includes the European Union.

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

(5) This subsection applies if it appears to the Treasury that they may direct the regulator not to make the standards instrument under section 410 (international obligations).

(6) The Treasury must notify the regulator in writing whether or not they approve a standards instrument within four weeks after the day on which that instrument is submitted to the Treasury for approval ("the relevant period").

(7) Provision of a draft standards instrument to the Treasury for consultation does not amount to submission of the instrument for approval.

(8) If the Treasury do not approve the instrument, they must—

(a) set out in the notice given under subsection (6) the Treasury's reasons for not approving the instrument;

(b) lay before Parliament—

(i) a copy of that notice;

(ii) a copy of any statement made by the regulator as to its reasons for wishing to make the instrument.

(9) If the Treasury do not give notice under subsection (6) before the end of the relevant period, the Treasury is deemed to have approved the standards instrument.

138S. Application of Chapters 1 and 2

(1) The sections listed in subsection (2) apply, subject to the modifications specified in that subsection, to—

(a) technical standards made by the FCA or the PRA as they apply to rules made by the FCA or the PRA;

(b) technical standards made by the Bank of England, as they apply to rules made by the Bank under this Act in accordance with paragraph 10(1), (3) and (4) of Schedule 17A to this Act.

(2) The sections referred to in subsection (1) are—

(a) section 137T (general supplementary powers), as if—

(i) the reference in paragraph (a) to authorised persons were a reference to persons,

(ii) the reference in paragraph (b) to rules included a reference to technical standards;

(b) section 138C (evidential provisions);

(c) section 138E (limit on effect of contravening rules);

(d) section 138F (notification of rules);

(e) section 138H (verification of rules), treating the reference in subsection (2)(c) to section 138G(4) of the Act as a reference to section 138Q(4);

(f) section 138I (consultation by the FCA), as if—

(i) subsection (1)(a) were omitted, and

(ii) references to making rules were references to submitting a standards instrument to the Treasury for approval;

(g) section 138J (consultation by the PRA), as if—

(i) subsection (1)(a) were omitted, and

(ii) references to making rules were references to submitting a standards instrument to the Treasury for approval;

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(h) section 138K (consultation: mutual societies);

[F1198(i) section 138L (consultation: general exemptions), as if—

(i) in subsection (1), for "425A" there were substituted "1G";

(ii) references to making rules were references to submitting a standards instrument to the Treasury for approval.**]]**

Textual Amendments

F1198 S. 138S(2)(i) substituted (6.9.2019) by The Financial Services (Electronic Money, Payment Services and Miscellaneous Amendments) (EU Exit) Regulations 2019 (S.I. 2019/1212), regs. 1(2), **2(2)**

CHAPTER 3

GUIDANCE

139A Power of the FCA to give guidance

(1) The FCA may give guidance consisting of such information and advice as it considers appropriate—

(a) with respect to the operation of specified parts of this Act and of any rules made by the FCA;

(b) with respect to any other matter relating to functions of the FCA;

(c) with respect to any other matters about which it appears to the FCA to be desirable to give information or advice.

F1199(1A) . . . . . .

(2) The FCA may give financial or other assistance to persons giving information or advice of a kind which the FCA could give under this section.

(3) Subsection (5) applies where the FCA proposes to give guidance to FCA-regulated persons generally, or to a class of FCA-regulated persons, in relation to rules to which those persons are subject.

(4) Subsection (5) also applies in relation to guidance which the FCA proposes to give to persons generally, or to a class of person, in relation to its functions under the **[**F1200Short Selling Regulations 2025**][**F1201or the market abuse regulation **[**F1202, any **[**F1203assimilated direct**]** legislation originally made under the market abuse regulation or any subordinate legislation (within the meaning of the Interpretation Act 1978) made on or after IP completion day under the market abuse regulation**]]**.

(5) Where this subsection applies, subsections (1), (2)(e) and (3) of section 138I (consultation) apply to the proposed guidance as they apply to proposed rules, unless the FCA considers that the delay in complying with those provisions would be prejudicial to the interests of consumers.

(6) The FCA may—

(a) publish its guidance,

(b) offer copies of its published guidance for sale at a reasonable price, and

(c) if it gives guidance in response to a request made by any person, make a reasonable charge for that guidance.

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(7) In this Chapter, references to guidance given by the FCA include references to any recommendations made by the FCA to FCA-regulated persons generally, or to any class of FCA-regulated person.

(8) "Consumers" has the meaning given in section 1G.

(9) "FCA-regulated person" means—

(a) an authorised person, or

(b) any person who is otherwise subject to rules made by the FCA.

Textual Amendments

F1199 S. 139A(1A) omitted (1.1.2019) by virtue of Financial Guidance and Claims Act 2018 (c. 10), s. 37(5), **Sch. 3 para. 16**; S.I. 2018/1330, reg. 2(g)(v)

F1200 Words in s. 139A(4) substituted (14.1.2025 for specified purposes) by The Short Selling Regulations 2025 (S.I. 2025/29), reg. 2(2)(3), **Sch. 2 para. 1(4)**

F1201 Words in s. 139A(4) inserted (3.7.2016) by The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **10(6)**

F1202 Words in s. 139A(4) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **40** (as amended by S.I. 2020/1301, regs. 1, 3, **Sch. para. 33(d)**); 2020 c. 1, **Sch. 5 para. 1(1)**

F1203 Words in s. 139A(4) substituted (1.1.2024) by The Retained EU Law (Revocation and Reform) Act 2023 (Consequential Amendment) Regulations 2023 (S.I. 2023/1424), reg. 1(2), **Sch. para. 44(3)(a)**

Modifications etc. (not altering text)

C575 S. 139A modified by S.I. 2008/432, art. 16(2) (as amended) (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 136(e)(aa)**(ii)

C576 S. 139A modified by S.I. 2008/2644, art. 28(2) (as amended) (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 147(c)(aa)**(ii)

C577 S. 139A modified by S.I. 2009/3226, art. 21(2) (as amended) (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 182(b)(ii)**

C578 S. 139A modified by S.I. 2008/2666, art. 19(2) (as amended) (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 148(c)(aa)**(ii)

C579 S. 139A modified by S.I. 2008/2674, art. 30(2) (as amended) (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 149(c)(aa)**(ii)

C580 S. 139A modified by S.I. 2009/814, art. 10(2) (as amended) (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 167(c)(ii)**

C581 S. 139A modified by S.I. 2008/2546, art. 38(2) (as amended) (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 146(d)(ii)**

C582 S. 139A applied (with modifications) (6.4.2018 immediately after 2016 c. 16 (N.I.), s. 8(2) comes into force) by The Financial Services Act 2012 (Mutual Societies) Order 2018 (S.I. 2018/323), art. 1, **Sch. 1 para. 2(2)(f)** (with art. 3)

C583 S. 139A applied (with modifications) (8.6.2023 for specified purposes, 7.10.2023 in so far as not already in force) by The Financial Services and Markets Act 2000 (Financial Promotion) (Amendment) Order 2023 (S.I. 2023/612), art. 1(2), **Sch. para. 13** (with art. 11)

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C584 S. 139A(3) applied (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), **Sch. 1 para. 8** (with Sch. 12)
C585 S. 139A(3) excluded (2.4.2013) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2013 (S.I. 2013/655), arts. 1, **9(2)**
C586 S. 139A(3) excluded (1.4.2015) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2015 (S.I. 2015/369), arts. 1, **6(2)(c)**
C587 S. 139A(3) excluded (6.4.2015) by The Bank of England Act 1998 (Macro-prudential Measures) Order 2015 (S.I. 2015/909), arts. 1, **4(2)(a)** (with art. 4(1))
C588 S. 139A(3) excluded (16.12.2016) by The Bank of England Act 1998 (Macro-prudential Measures) Order 2016 (S.I. 2016/1240), arts. 1, **4(2)(a)**
C589 S. 139A(3) excluded (27.2.2018) by The Financial Services and Markets Act 2000 (Benchmarks) Regulations 2018 (S.I. 2018/135), regs. 1(2), **32(2)(c)**
C590 S. 139A(3) applied (6.4.2018 immediately after 2016 c. 16 (N.I.), s. 8(2) comes into force) by The Financial Services Act 2012 (Mutual Societies) Order 2018 (S.I. 2018/323), art. 1, **Sch. 1 paras. 6-8** (with art. 3)
C591 S. 139A(5) excluded by S.I. 2004/454, art. 12(1) (as amended) (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 89(b)**
C592 S. 139A(5) excluded by S.I. 2006/3259, reg. 4 (as amended) (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 120(b)(ii)**
C593 S. 139A(5) excluded (23.3.2019) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(2), **203(5)**
C594 S. 139A(5) modified (13.3.2023 at 8.00 a.m.) by The Amendments of the Law (Resolution of Silicon Valley Bank UK Limited) Order 2023 (S.I. 2023/319), arts. 1(2), **4(2)**

139B Notification of FCA guidance to the Treasury

(1) On giving any general guidance, the FCA must give written notice to the Treasury without delay.

(2) If the FCA alters any of its guidance, it must give written notice to the Treasury without delay.

(3) The notice under subsection (2) must include details of the alteration.

(4) If the FCA revokes any of its general guidance, it must give written notice to the Treasury without delay.

(5) "General guidance" means guidance given by the FCA under section 139A which is—
(a) given to persons generally, to FCA-regulated persons generally or to a class of FCA-regulated person,
(b) intended to have continuing effect, and
(c) given in writing or other legible form.

(6) "FCA-regulated person" has the same meaning as in section 139A.

Modifications etc. (not altering text)
C595 S. 139B applied (with modifications) (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 1 para. 7(3)** (with reg. 7)

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C596 S. 139B applied (with modifications) (3.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Data Reporting Services Regulations 2017 (S.I. 2017/699), regs. 1(2)(a)(b), **20(3)**

C597 S. 139B applied (31.12.2020) by The Credit Rating Agencies (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/266), regs. 1(3), **6(2)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

C598 S. 139B applied (8.6.2023 for specified purposes, 7.10.2023 in so far as not already in force) by The Financial Services and Markets Act 2000 (Financial Promotion) (Amendment) Order 2023 (S.I. 2023/612), art. 1(2), **Sch. para. 1(g)** (with art. 11)

C599 S. 139B(5) applied (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), **Sch. 1 para. 8** (with Sch. 12)

C600 S. 139B(5) applied (6.4.2018 immediately after 2016 c. 16 (N.I.), s. 8(2) comes into force) by The Financial Services Act 2012 (Mutual Societies) Order 2018 (S.I. 2018/323), art. 1, **Sch. 1 para. 6** (with art. 3)

CHAPTER 4

COMPETITION SCRUTINY

Modifications etc. (not altering text)

C601 Pt. 9A Ch. 4 applied (1.3.2014) by Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 107(1)**, 148(5); S.I. 2014/377, art. 2(1)(a), Sch. Pt. 1

140A Interpretation

(1) In this Chapter—

[F1204"the CMA" means the Competition and Markets Authority.**]**

"market in the United Kingdom" includes—

(a) so far as it operates in the United Kingdom or a part of the United Kingdom, any market which operates there and in another country or territory or in a part of another country or territory, and

(b) any market which operates only in a part of the United Kingdom;

F1205...

"practices", in relation to each regulator, means practices adopted by that regulator in the exercise of functions under this Act;

"regulating provisions" means—

(a) in relation to the FCA, any—

(i) rules of the FCA;

(ii) general guidance (as defined by section 139B(5) F1206...);

(iii) F1207...

(iv) F1208...

(v) F1209...

(vi) F1209...

(b) in relation to the PRA, any—

(i) rules of the PRA;

(ii) F1210...

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(iii) F1210...

F1211(2) . . . . . .

(3) For the purposes of this Chapter, any reference to a feature of a market in the United Kingdom for goods or services is to be read as a reference to—

(a) the structure of the market concerned or any aspect of that structure,

(b) any conduct (whether or not in the market concerned) of one or more than one person who supplies or acquires goods or services in the market concerned, or

(c) any conduct relating to the market concerned of customers of any person who supplies or acquires goods or services.

(4) In subsection (3) "conduct" includes any failure to act (whether or not intentional) and any other unintentional conduct.

Textual Amendments

F1204 Words in s. 140A(1) inserted (1.4.2014) by The Enterprise and Regulatory Reform Act 2013 (Competition) (Consequential, Transitional and Saving Provisions) Order 2014 (S.I. 2014/892), art. 1(1), **Sch. 1 para. 121(2)(ii)** (with art. 3)

F1205 Words in s. 140A(1) omitted (1.4.2014) by virtue of The Enterprise and Regulatory Reform Act 2013 (Competition) (Consequential, Transitional and Saving Provisions) Order 2014 (S.I. 2014/892), art. 1(1), **Sch. 1 para. 121(2)(i)** (with art. 3)

F1206 Words in s. 140A(1) omitted (1.1.2019) by virtue of Financial Guidance and Claims Act 2018 (c. 10), s. 37(5), **Sch. 3 para. 17(a)**; S.I. 2018/1330, reg. 2(g)(v)

F1207 Words in s. 140A omitted (7.3.2016) by virtue of Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 3 para. 10(a)(i)**; S.I. 2015/490, art. 2(1)(b) (with savings and transitional provisions in S.I. 2015/492 (as amended by S.I. 2015/1660))

F1208 Words in s. 140A(1) omitted (3.7.2016) by virtue of The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **10(7)**

F1209 Words in s. 140A(1) omitted (1.1.2019) by virtue of Financial Guidance and Claims Act 2018 (c. 10), s. 37(5), **Sch. 3 para. 17(b)**; S.I. 2018/1330, reg. 2(g)(v)

F1210 Words in s. 140A omitted (7.3.2016) by virtue of Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 3 para. 10(b)**; S.I. 2015/490, art. 2(1)(b) (with savings and transitional provisions in S.I. 2015/492 (as amended by S.I. 2015/1660))

F1211 S. 140A(2) omitted (1.4.2014) by virtue of The Enterprise and Regulatory Reform Act 2013 (Competition) (Consequential, Transitional and Saving Provisions) Order 2014 (S.I. 2014/892), art. 1(1), **Sch. 1 para. 121(3)** (with art. 3)

140B Advice about effect of regulating provision or practice

(1) In this Chapter, any reference to the giving of "section 140B advice" to a regulator is to be read in accordance with this section.

[F1212(2) The CMA gives "section 140B advice" to a regulator if—

(a) it gives advice to the regulator under section 7 of the Enterprise Act 2002 (provision of competition advice to Ministers etc) and the advice states that in the opinion of the CMA one or more of the things mentioned in subsection (4) may cause, or contribute to, the effect mentioned in subsection (5), or might be expected to do so in the future;

(b) a report published by it under section 136 of the Enterprise Act 2002 (investigations and reports on market investigation reference) contains—

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(i) a decision that one or more of the things mentioned in subsection (4) may cause, or contribute to, the effect mentioned in subsection (5), and

(ii) a recommendation that any action should be taken by that regulator.**]**

F1213(3) . . . . . .

(4) Those things are—

(a) a regulating provision or practice of the regulator,

(b) two or more regulating provisions or practices (of that regulator or of both regulators) taken together,

(c) a particular combination of regulating provision or practices (of that regulator or of both regulators), or

(d) a feature, or combination of features, of a **[**F1214one or more markets**]** in the United Kingdom that could be dealt with by regulating provision or practices (of that regulator or of both regulators).

(5) That effect is the prevention, restriction or distortion of competition in connection with the supply or acquisition of any goods or services in the United Kingdom or a part of the United Kingdom.

Textual Amendments

F1212 S. 140B(2) substituted (1.4.2014) by The Enterprise and Regulatory Reform Act 2013 (Competition) (Consequential, Transitional and Saving Provisions) Order 2014 (S.I. 2014/892), art. 1(1), **Sch. 1 para. 122(1)** (with art. 3)

F1213 S. 140B(3) omitted (1.4.2014) by virtue of The Enterprise and Regulatory Reform Act 2013 (Competition) (Consequential, Transitional and Saving Provisions) Order 2014 (S.I. 2014/892), art. 1(1), **Sch. 1 para. 122(2)** (with art. 3)

F1214 Words in s. 140B(4)(d) substituted (1.4.2014) by The Enterprise and Regulatory Reform Act 2013 (Competition) (Consequential, Transitional and Saving Provisions) Order 2014 (S.I. 2014/892), art. 1(1), **Sch. 1 para. 122(3)** (with art. 3)

140C Consultation with regulator

Before giving section 140B advice, **[**F1215the CMA**]** must consult the regulator to which the advice is to be given.

Textual Amendments

F1215 Words in s. 140C substituted (1.4.2014) by The Enterprise and Regulatory Reform Act 2013 (Competition) (Consequential, Transitional and Saving Provisions) Order 2014 (S.I. 2014/892), art. 1(1), **Sch. 1 para. 123** (with art. 3)

140D Investigation powers of [F1216CMA]

[F1217(1)**]** Where the **[**F1218CMA**]** is deciding whether to exercise its power under section 7 of the Enterprise Act 2002 to give advice which, if given, would be section 140B advice, section 174 of that Act has effect as if—

[F1219(a) for subsection (1) there were substituted—

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"(1) For the purposes of this section, a permitted purpose is assisting the CMA in deciding whether to exercise its power under section 7 to give advice which for the purposes of Chapter 4 of Part 9A of the Financial Services and Markets Act 2000 would be section 140B advice.", and

(b) subsection (9A) were omitted.**]**

[F1220(2) Where the CMA has exercised any of its powers under section 174 of the Enterprise Act 2002, as applied by subsection (1), section 174B of that Act has effect as if, after subsection (9), there were inserted—

"(10) Where the section 174 power is exercised for the purpose of assisting the CMA in deciding whether to exercise its power under section 7 to give advice which for the purposes of Chapter 4 of Part 9A of the Financial Services and Markets Act 2000 would be section 140B advice, the relevant day is the day when the CMA publishes that advice."**]**

Textual Amendments

F1216 Word in s. 140D heading substituted (1.4.2014) by The Enterprise and Regulatory Reform Act 2013 (Competition) (Consequential, Transitional and Saving Provisions) Order 2014 (S.I. 2014/892), art. 1(1), **Sch. 1 para. 124(5)** (with art. 3, Sch. 2 para. 4)

F1217 S. 140D renumbered as s. 140D(1) (1.4.2014) by The Enterprise and Regulatory Reform Act 2013 (Competition) (Consequential, Transitional and Saving Provisions) Order 2014 (S.I. 2014/892), art. 1(1), **Sch. 1 para. 124(2)** (with art. 3, Sch. 2 para. 4)

F1218 Word in s. 140D(1) substituted (1.4.2014) by The Enterprise and Regulatory Reform Act 2013 (Competition) (Consequential, Transitional and Saving Provisions) Order 2014 (S.I. 2014/892), art. 1(1), **Sch. 1 para. 124(3)(a)** (with art. 3, Sch. 2 para. 4)

F1219 S. 140D(1)(a)(b) substituted (1.4.2014) by The Enterprise and Regulatory Reform Act 2013 (Competition) (Consequential, Transitional and Saving Provisions) Order 2014 (S.I. 2014/892), art. 1(1), **Sch. 1 para. 124(3)(b)** (with art. 3, Sch. 2 para. 4)

F1220 S. 140D(2) inserted (1.4.2014) by The Enterprise and Regulatory Reform Act 2013 (Competition) (Consequential, Transitional and Saving Provisions) Order 2014 (S.I. 2014/892), art. 1(1), **Sch. 1 para. 124(4)** (with art. 3, Sch. 2 para. 4)

[F1221**140E Publication by CMA of section 140B advice**

Where the giving of advice under section 7 of the Enterprise Act 2002 to either regulator constitutes the giving of section 140B advice, the CMA must publish that advice in such manner as it thinks fit.**]**

Textual Amendments

F1221 S. 140E substituted (1.4.2014) by The Enterprise and Regulatory Reform Act 2013 (Competition) (Consequential, Transitional and Saving Provisions) Order 2014 (S.I. 2014/892), art. 1(1), **Sch. 1 para. 125** (with art. 3)

140F Duty of [F1222**CMA] to send report to regulator**

(1) Where the publication of a report of the **[**F1223**CMA]** under section 142 of the Enterprise Act 2002 constitutes the giving of section 140B advice to either regulator, the **[**F1224**CMA]** must give a copy of the report to that regulator.

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(2) The day on which the copy is given is the day on which the regulator is to be taken to receive the section 140B advice.

Textual Amendments

F1222 Word in s. 140F heading substituted (1.4.2014) by The Enterprise and Regulatory Reform Act 2013 (Competition) (Consequential, Transitional and Saving Provisions) Order 2014 (S.I. 2014/892), art. 1(1), **Sch. 1 para. 126(3)** (with art. 3)

F1223 Word in s. 140F(1) substituted (1.4.2014) by The Enterprise and Regulatory Reform Act 2013 (Competition) (Consequential, Transitional and Saving Provisions) Order 2014 (S.I. 2014/892), art. 1(1), **Sch. 1 para. 126(2)(a)** (with art. 3)

F1224 Word in s. 140F(1) substituted (1.4.2014) by The Enterprise and Regulatory Reform Act 2013 (Competition) (Consequential, Transitional and Saving Provisions) Order 2014 (S.I. 2014/892), art. 1(1), **Sch. 1 para. 126(2)(b)** (with art. 3)

140G Duty of regulator to publish response

(1) A regulator must, within 90 days after the day on which it receives section 140B advice, publish a response stating how it proposes to deal with the advice and in particular—

(a) whether it has decided to take any action, or to take no action, in response to the advice,

(b) if it has decided to take action, what action it proposes to take, and

(c) its reasons for its proposals.

(2) Publication is to be in such manner as the regulator thinks fit.

140H Role of the Treasury

(1) This section applies where—

(a) **[**F1225the CMA**]** has given section 140B advice and the regulator has published a response under section 140G, and

(b) the **[**F1226CMA**]** remains of the opinion that one or more of the things mentioned in section 140B(4) may cause or contribute to, the effect mentioned in section 140B(5).

(2) The **[**F1227CMA**]** may refer the section 140B advice to the Treasury by sending the Treasury—

(a) a copy of the section 140B advice and of the response, and

(b) a request to consider the advice and the response.

(3) In referring the section 140B advice, the **[**F1227CMA**]** may give advice to the Treasury as to what action, if any, ought to be taken by the regulator.

(4) If section 140B advice is referred to them, the Treasury may give a direction to the regulator to which the advice was given requiring the regulator to take such action as may be specified in the direction.

(5) In considering whether to give a direction and, if so, what action to specify, the Treasury must have regard to—

(a) any advice the **[**F1228CMA**]** has given under subsection (3),

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(b) any action which the section 140B advice suggests that the regulator should take, and

(c) the response of the regulator to the section 140B advice.

(6) The direction may not require the regulator to do anything that it has no power to do, but the existence of the direction is relevant to the exercise of any discretion conferred on the regulator.

(7) Before giving a direction under this section, the Treasury must consult the regulator to which it is to be given.

(8) If the Treasury give a direction under this section they must—

(a) publish in such manner as they think fit a statement giving details of the direction and of their reasons for giving it, and

(b) lay a copy of the statement before Parliament.

Textual Amendments

F1225 Words in s. 140H(1)(a) substituted (1.4.2014) by The Enterprise and Regulatory Reform Act 2013 (Competition) (Consequential, Transitional and Saving Provisions) Order 2014 (S.I. 2014/892), art. 1(1), **Sch. 1 para. 127(2)(a)** (with art. 3)

F1226 Word in s. 140H(1)(b) substituted (1.4.2014) by The Enterprise and Regulatory Reform Act 2013 (Competition) (Consequential, Transitional and Saving Provisions) Order 2014 (S.I. 2014/892), art. 1(1), **Sch. 1 para. 127(2)(b)** (with art. 3)

F1227 Word in s. 140H(2)(3) substituted (1.4.2014) by The Enterprise and Regulatory Reform Act 2013 (Competition) (Consequential, Transitional and Saving Provisions) Order 2014 (S.I. 2014/892), art. 1(1), **Sch. 1 para. 127(3)** (with art. 3)

F1228 Word in s. 140H(5) substituted (1.4.2014) by The Enterprise and Regulatory Reform Act 2013 (Competition) (Consequential, Transitional and Saving Provisions) Order 2014 (S.I. 2014/892), art. 1(1), **Sch. 1 para. 127(3)** (with art. 3)

CHAPTER 5

POWER TO MAKE CONSEQUENTIAL AMENDMENTS

141A Power to make consequential amendments of references to rules etc.

(1) This section applies if—

(a) a provision of primary or subordinate legislation (whenever passed or made) contains a reference (however expressed) to rules of either regulator or to guidance of the FCA,

(b) it appears to the Treasury or the Secretary of State that the reference requires amendment in consequence of the exercise by that regulator of its power under this Part to make, alter or revoke its rules or the exercise by the FCA of its power to make, alter or revoke its guidance.

(2) The Treasury or the Secretary of State may by order make such amendment of the legislation referred to in subsection (1)(a) as appears to them to be necessary or expedient in consequence of the exercise by the regulator of the power mentioned in subsection (1)(b).

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

(3) The power conferred by subsection (2) includes power—

(a) to replace a reference to the rules of one regulator with a reference to the rules of the other regulator or to the rules of both regulators;

(b) to replace a reference to the rules of both regulators with a reference to the rules of one regulator.

(4) In subsection (1)(a) "subordinate legislation" does not include rules of either regulator.

[F1229(5) A regulator's power under Part 2 of the Powers Regulations to amend its rules is treated for the purposes of this section as a power under this Part; and for this purpose "the Powers Regulations" means the Financial Regulators' Powers (Technical Standards etc.) (Amendment etc.) (EU Exit) Regulations 2018 (S.I. 2018/1115).**]]**

Textual Amendments

F1229 S. 141A(5) inserted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **41**; 2020 c. 1, Sch. 5 para. 1(1)

Modifications etc. (not altering text)

C602 S. 141A applied (with modifications) (13.8.2017 for specified purposes, 13.1.2018 in so far as not already in force) by The Payment Services Regulations 2017 (S.I. 2017/752), reg. 1(2)(b)(ii)(6), **Sch. 6 para. 3(2)** (with reg. 3)) (as amended (18.9.2023) by The Electronic Money, Payment Card Interchange Fee and Payment Services (Amendment) Regulations 2023 (S.I. 2023/790), regs. 1(2)(a), **4(5)(a)(iii)**)

C603 S. 141A applied (with modifications) by S.I. 2011/99, **Sch. 3 para. 2A(2)(3)** (as inserted (13.8.2017 for specified purposes, 13.10.2017 for specified purposes, 13.1.2018 in so far as not already in force) by The Payment Services Regulations 2017 (S.I. 2017/752), reg. 1(2)(c)(iii)(3)(f)(i)(6), **Sch. 8 para. 5(31)(a)** (with reg. 3) and as amended (18.9.2023) by The Electronic Money, Payment Card Interchange Fee and Payment Services (Amendment) Regulations 2023 (S.I. 2023/790), regs. 1(2)(a), **2(3)(a)(iii)-(v)**)

C604 S. 141A applied (1.7.2021) by Regulation (EU) No. 648/2012, Art. 84b(1)(2) (as inserted by Financial Services Act 2021 (c. 22), **ss. 40(4)**, 49(5); S.I. 2021/739, reg. 3(v))

C605 S. 141A applied (1.7.2021) by Regulation (EU) No. 600/2014, Art. 50D (as inserted by Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 10 para. 12** (with Sch. 10 para. 13); S.I. 2021/739, reg. 3(o))

C606 S. 141A applied (1.7.2021) by Regulation (EU) No. 1286/2014, Art. 4A(2)(3) (as inserted by Financial Services Act 2021 (c. 22), **ss. 38(2)**, 49(5) (with s. 38(3)); S.I. 2021/739, reg. 3(t))

C607 S. 141A applied (with modifications) (29.10.2024 for specified purposes) by S.I. 2017/701, **reg. 15A** (as inserted by Financial Services and Markets Act 2023 (c. 29), s. 86(3), **Sch. 2 para. 45** (with s. 2(3)); S.I. 2024/1071, **reg. 3(c)(ii)**)

C608 S. 141A applied (30.1.2024 for specified purposes, 1.11.2024 in so far as not already in force) by The Securitisation Regulations 2024 (S.I. 2024/102), reg. 2(1)(e)(2), **Sch. 1 para. 9(2)(g)** (with reg. 52(3), Sch. 3); as amended by S.I. 2024/705, regs. 1(2), 2(2)

[F1230 141B Power to consequentially amend enactments

(1) The Treasury may by regulations make provision amending an enactment that is consequential on rules.

(2) In this section—

"enactment" includes—

(a) an enactment comprised in subordinate legislation,

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(b) **[**[F1231]assimilated direct**]** legislation,

(c) an enactment comprised in, or in an instrument made under, a Measure or Act of Senedd Cymru,

(d) an enactment comprised in, or in an instrument made under, an Act of the Scottish Parliament, and

(e) an enactment comprised in, or in an instrument made under, Northern Ireland legislation;

"subordinate legislation" has the same meaning as in the Interpretation Act 1978 (see section 21 of that Act) but does not include rules of either regulator.**]**

Textual Amendments

F1230 S. 141B inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 65(2)**, 86(3); S.I. 2023/779, reg. 4(qq)

F1231 Words in s. 141B(2) substituted (1.1.2024) by The Retained EU Law (Revocation and Reform) Act 2023 (Consequential Amendment) Regulations 2023 (S.I. 2023/1424), reg. 1(2), **Sch. para. 44(4)(h)**

[[F1232]**PART 9B**

RING-FENCING

Textual Amendments

F1232 Pt. 9B inserted (1.3.2014 for the insertion of ss. 142A-142F, 142I, 142W-142Z1 for specified purposes, 21.4.2016 for the insertion of s. 142H, 1.1.2019 in so far as not already in force) by Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 4(1)**, 148(5); S.I. 2014/377, art. 2(1)(b), Sch. Pt. 2; S.I. 2016/512, art. 2(a); S.I. 2018/1306, art. 2(d)

Modifications etc. (not altering text)

C609 Pt. 9B power to apply (with modifications) conferred (1.1.2019) by Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 7(2)(b)**, 148(5); S.I. 2018/1306, art. 2(f)

Introductory

142A "Ring-fenced body"

(1) In this Act "ring-fenced body" means a UK institution which carries on one or more core activities (see section 142B) in relation to which it has a Part 4A permission.

(2) But "ring-fenced body" does not include—

(a) a building society within the meaning of the Building Societies Act 1986, or

(b) a UK institution of a class exempted by order made by the Treasury.

(3) An order under subsection (2)(b) may be made in relation to a class of UK institution only if the Treasury are of the opinion that the exemption conferred by the order would not be likely to have a significant adverse effect on the continuity of the provision in the United Kingdom of core services.

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(4) Subject to that, in deciding whether and, if so, how to exercise their powers under subsection (2)(b), the Treasury must have regard to the desirability of minimising any adverse effect that the ring-fencing provisions might be expected to have on competition in the market for services provided in the course of carrying on core activities, including any adverse effect on the ease with which new entrants can enter the market.

(5) In subsection (4) "the ring-fencing provisions" means ring-fencing rules and the duty imposed as a result of section 142G.

(6) An order under subsection (2)(b) may provide for the exemption to be subject to conditions.

(7) In this section "UK institution" means a body corporate incorporated in the United Kingdom.

142B Core activities

(1) References in this Act to a "core activity" are to be read in accordance with this section.

(2) The regulated activity of accepting deposits (whether carried on in the United Kingdom or elsewhere) is a core activity unless it is carried on in circumstances specified by the Treasury by order.

(3) An order under subsection (2) may be made only if the Treasury are of the opinion that it is not necessary for either of the following purposes that the regulated activity of accepting deposits should be a core activity when carried on in the specified circumstances.

(4) Those purposes are—

(a) to secure an appropriate degree of protection for the depositors concerned, or

(b) to protect the continuity of the provision in the United Kingdom of services provided in the course of carrying on the regulated activity of accepting deposits.

(5) The Treasury may by order provide for a regulated activity other than that of accepting deposits to be a core activity, either generally or when carried on in circumstances specified in the order.

(6) An order under subsection (5) may be made only if the Treasury are of the opinion—

(a) that an interruption of the provision of services provided in the United Kingdom in the carrying on of the regulated activity concerned could adversely affect the stability of the UK financial system or of a significant part of that system, and

(b) that the continuity of the provision of those services can more effectively be protected by treating the activity as a core activity.

142C Core services

(1) References in this Act to "core services" are to be read in accordance with this section.

(2) The following are core services—

(a) facilities for the accepting of deposits or other payments into an account which is provided in the course of carrying on the core activity of accepting deposits;

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(b) facilities for withdrawing money or making payments from such an account;

(c) overdraft facilities in connection with such an account.

(3) The Treasury may by order provide that any other specified services provided in the course of carrying on the core activity of accepting deposits are also core services.

(4) If an order under section 142B(5) provides for an activity other than that of accepting deposits to be a core activity, the Treasury must by order provide that specified services provided in the course of carrying on that activity are core services.

(5) The services specified by order under subsection (4) must be services in relation to which the Treasury are of the opinion mentioned in section 142B(6)(a).

142D Excluded activities

(1) References in this Act to an "excluded activity" are to be read in accordance with this section.

(2) The regulated activity of dealing in investments as principal (whether carried on in the United Kingdom or elsewhere) is an excluded activity unless it is carried on in circumstances specified by the Treasury by order.

(3) An order under subsection (2) may be made only if the Treasury are of the opinion that allowing ring-fenced bodies to deal in investments as principal in the specified circumstances would not be likely to result in any significant adverse effect on the continuity of the provision in the United Kingdom of core services.

(4) The Treasury may by order provide for an activity other than the regulated activity of dealing in investments as principal to be an excluded activity, either generally or when carried on in circumstances specified in the order.

(5) An activity to which an order under subsection (4) relates—

(a) need not be a regulated activity, and

(b) may be an activity carried on in the United Kingdom or elsewhere.

(6) In deciding whether to make an order under subsection (4) in relation to any activity, the Treasury must—

(a) have regard to the risks to which a ring-fenced body would be exposed if it carried on the activity concerned, and

(b) consider whether the carrying on of that activity by a ring-fenced body would make it more likely that the failure of the body would have an adverse effect on the continuity of the provision in the United Kingdom of core services.

(7) An order under subsection (4) may be made only if the Treasury are of the opinion that the making of the order is necessary or expedient for the purpose of protecting the continuity of the provision in the United Kingdom of core services.

142E Power of Treasury to impose prohibitions

(1) The Treasury may by order prohibit ring-fenced bodies from—

(a) entering into transactions of a specified kind or with persons falling within a specified class;

(b) establishing or maintaining a branch in a specified country or territory;

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(c) holding in specified circumstances shares or voting power in companies of a specified description.

(2) In deciding whether to make an order under this section imposing a prohibition, the Treasury must—

(a) have regard to the risks to which a ring-fenced body would be exposed if it did the thing to which the prohibition relates, and

(b) consider whether the doing of that thing by a ring-fenced body would make it more likely that the failure of the body would have an adverse effect on the continuity of the provision in the United Kingdom of core services.

(3) An order under this section may be made only if the Treasury are of the opinion that the making of the order is necessary or expedient for the purpose of protecting the continuity of the provision in the United Kingdom of core services.

(4) An order under this section may in particular—

(a) provide for any prohibition to be subject to exemptions specified in the order;

(b) provide for any exemption to be subject to conditions specified in the order.

142F Orders under section 142A, 142B, 142D or 142E

(1) An order made under section 142A, 142B, 142D or 142E may—

(a) authorise or require the making of rules by a regulator for the purposes of, or for purposes connected with, any provision of the order;

(b) authorise the making of other instruments by a regulator for the purposes of, or for purposes connected with, any provision of the order;

(c) refer to a publication issued by a regulator, another body in the United Kingdom or an international organisation, as the publication has effect from time to time.

(2) If the order confers powers on a regulator or authorises or requires the making of rules or other instruments by a regulator, the order may also—

(a) impose conditions on the exercise of any power conferred on the regulator;

(b) impose consultation requirements on the regulator;

(c) make the exercise of a power by the regulator subject to the consent of the Treasury.

Ring-fenced bodies not to carry on excluded activities or contravene prohibitions

142G Ring-fenced bodies not to carry on excluded activities or contravene prohibitions

(1) A ring-fenced body which—

(a) carries on an excluded activity or purports to do so, or

(b) contravenes any provision of an order under section 142E,

is to be taken to have contravened a requirement imposed on the body by the appropriate regulator under this Act.

(2) The contravention does not—

(a) make a person guilty of an offence;

(b) make a transaction void or unenforceable;

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(c) (subject to subsection (3)) give rise to any right of action for breach of statutory duty.

(3) In such cases as the Treasury may specify by order, the contravention is actionable at the suit of a person who suffers loss as a result of the contravention, subject to the defences and other incidents applying to actions for breach of statutory duty.

(4) In this section "the appropriate regulator" means—

(a) in relation to a ring-fenced body which is a PRA-authorised person, the PRA;

(b) in relation to any other ring-fenced body, the FCA.

Ring-fencing rules

142H Ring-fencing rules

(1) In the exercise of its power to make general rules, the appropriate regulator must in particular make rules—

(a) requiring a ring-fenced body to make arrangements to ensure the effective provision to the ring-fenced body of services and facilities that it requires in relation to the carrying on of a core activity, and

(b) making provision for the group ring-fencing purposes applying to ring-fenced bodies and to authorised persons who are members of a ring-fenced body's group.

(2) Section 142E(1)(c) does not affect the power of the appropriate regulator to make general rules imposing restrictions on the extent of the shares or voting power that a ring-fenced body may hold in another company, except where a restriction on the extent of the shares or voting power that the ring-fenced body may hold in the company is imposed by order under section 142E(1)(c).

(3) General rules that are required by this section or make provision falling within subsection (2) are in this Act referred to as "ring-fencing rules".

(4) The "group ring-fencing purposes" are—

(a) ensuring as far as reasonably practicable that the carrying on of core activities by a ring-fenced body is not adversely affected by the acts or omissions of other members of its group;

(b) ensuring as far as reasonably practicable that in carrying on its business a ring-fenced body—

(i) is able to take decisions independently of other members of its group, and

(ii) does not depend on resources which are provided by a member of its group and which would cease to be available to the ring-fenced body in the event of the insolvency of the other member;

(c) ensuring as far as reasonably practicable that the ring-fenced body would be able to continue to carry on core activities in the event of the insolvency of one or more other members of its group.

(5) Ring-fencing rules made for the group ring-fencing purposes must include—

(a) provision restricting the power of a ring-fenced body to enter into contracts with other members of its group otherwise than on arm's length terms;

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(b) provision restricting the payments that a ring-fenced body may make (by way of dividend or otherwise) to other members of its group;

(c) provision requiring the disclosure to the appropriate regulator of information relating to transactions between a ring-fenced body and other members of its group;

(d) provision requiring a ring-fenced body to ensure that its board of directors (or if there is no such board, the equivalent management body) includes to a specified extent—

(i) members who are treated by the rules as being independent of other members of the ring-fenced body's group,

(ii) members who are treated by the rules as being independent of the ring-fenced body itself, and

(iii) non-executive members;

(e) provision requiring a ring-fenced body to act in accordance with a remuneration policy meeting specified requirements;

(f) provision requiring a ring-fenced body to act in accordance with a human resources policy meeting specified requirements;

(g) provision requiring arrangements made by the ring-fenced body for the identification, monitoring and management of risk to meet specified requirements;

(h) such other provision as the appropriate regulator considers necessary or expedient for any of the purposes in subsection (4).

(6) The reference in subsection (5)(e) to a remuneration policy is a reference to a policy about the remuneration of officers, employees and other persons who (in each case) are of a specified description.

(7) The reference in subsection (5)(f) to a human resources policy is a reference to a policy about the appointment and management of officers, employees and other persons who (in each case) are of a specified description.

(8) In this section—

"the appropriate regulator" means—

(a) in relation to a PRA-authorised person, the PRA;

(b) in relation to any other authorised person, the FCA;

"shares" has the meaning given in section 422;

"specified" means specified in the rules;

"voting power" has the meaning given in section 422.

142I Powers of Treasury in relation to ring-fencing rules

(1) The Treasury may by order require the appropriate regulator, as defined in section 142H(8), to include (or not to include) in ring-fencing rules specified provision relating to—

(a) any of the matters mentioned in section 142H(5)(a) to (g), or

(b) any other specified matter.

(2) The power to make an order under this section is exercisable only if the Treasury consider it necessary or expedient to do so—

(a) for any of the group ring-fencing purposes as defined in section 142H(4), or

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(b) otherwise for securing the independence of ring-fenced bodies from other members of their groups.

(3) "Specified" means specified in the order.

142J Review of ring-fencing rules etc

(1) The PRA must carry out reviews of its ring-fencing rules and of any rules made by it under section 192JA (rules applying to parent undertakings of ring-fenced bodies).

(2) The first review must be completed before the end of the period of 5 years beginning with the day on which the first ring-fencing rules come into force.

(3) Subsequent reviews must be completed before the end of the period of 5 years beginning with the day on which the previous review was completed.

(4) The PRA must give the Treasury a report of each review.

(5) The Treasury must lay a copy of the report before Parliament.

(6) The PRA must publish the report in such manner as it thinks fit.

(7) If (because any ring-fenced body is not a PRA-authorised person) section 142H has the effect of requiring the FCA to make ring-fencing rules, subsections (1) to (6) apply to the FCA as they apply to the PRA.

Group restructuring powers

142K Cases in which group restructuring powers become exercisable

(1) The appropriate regulator may exercise the group restructuring powers only if it is satisfied that one or more of Conditions A to D is met in relation to a ring-fenced body that is a member of a group.

(2) Condition A is that the carrying on of core activities by the ring-fenced body is being adversely affected by the acts or omissions of other members of its group.

(3) Condition B is that in carrying on its business the ring-fenced body—

(a) is unable to take decisions independently of other members of its group, or

(b) depends on resources which are provided by a member of its group and which would cease to be available in the event of the insolvency of the other member.

(4) Condition C is that in the event of the insolvency of one or more other members of its group the ring-fenced body would be unable to continue to carry on the core activities carried on by it.

(5) Condition D is that the ring-fenced body or another member of its group has engaged, or is engaged, in conduct which is having, or would apart from this section be likely to have, an adverse effect on the advancement by the appropriate regulator—

(a) in the case of the PRA, of the objective in section 2B(3)(c), or

(b) in the case of the FCA, of the continuity objective.

(6) The appropriate regulator may not exercise the group restructuring powers in relation to any person if—

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(a) either regulator has previously exercised the group restructuring powers in relation to that person, and

(b) the decision notice in relation to the current exercise is given before the second anniversary of the day on which the decision notice in relation to the previous exercise was given.

(7) In this section and sections 142L to 142Q "the appropriate regulator" means—

(a) where the ring-fenced body is a PRA-authorised person, the PRA;

(b) where it is not, the FCA.

142L Group restructuring powers

(1) In this Part "the group restructuring powers" means one or more of the powers conferred by this section.

(2) Where the appropriate regulator is the PRA, the powers conferred by this section are as follows—

(a) in relation to the ring-fenced body, power to impose a requirement on the ring-fenced body requiring it to take any of the steps mentioned in subsection (5),

(b) in relation to any member of the ring-fenced body's group which is a PRA-authorised person, power to impose a requirement on the PRA-authorised person requiring it to take any of the steps mentioned in subsection (6),

(c) in relation to any member of the ring-fenced body's group which is an authorised person but not a PRA-authorised person, power to direct the FCA to impose a requirement on the authorised person requiring it to take any of the steps mentioned in subsection (6), and

(d) in relation to a qualifying parent undertaking, power to give a direction under this paragraph to the parent undertaking requiring it to take any of the steps mentioned in subsection (6).

(3) Where the appropriate regulator is the FCA, the powers conferred by this section are as follows—

(a) in relation to the ring-fenced body, power to impose a requirement on the ring-fenced body requiring it to take any of the steps mentioned in subsection (5),

(b) in relation to any member of the ring-fenced body's group which is an authorised person but not a PRA-authorised person, power to impose a requirement on the authorised person requiring it to take any of the steps mentioned in subsection (6),

(c) in relation to any member of the ring-fenced body's group which is a PRA-authorised person, power to direct the PRA to impose a requirement on the authorised person requiring it to take any of the steps mentioned in subsection (6), and

(d) in relation to a qualifying parent undertaking, power to give a direction under this paragraph to the parent undertaking requiring it to take any of the steps mentioned in subsection (6).

(4) A parent undertaking of a ring-fenced body by reference to which the group restructuring powers are exercisable is for the purposes of this Part a "qualifying parent undertaking" if—

(a) it is a body corporate which is incorporated in the United Kingdom and has a place of business in the United Kingdom, and

(b) it is not itself an authorised person.

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(5) The steps that the ring-fenced body may be required to take are—

(a) to dispose of specified property or rights to an outside person;

(b) to apply to the court under Part 7 for an order sanctioning a ring-fencing transfer scheme relating to the transfer of the whole or part of the business of the ring-fenced body to an outside person;

(c) otherwise to make arrangements discharging the ring-fenced body from specified liabilities.

(6) The steps that another authorised person or a qualifying parent undertaking may be required to take are—

(a) to dispose of any shares in, or securities of, the ring-fenced body to an outside person;

(b) to dispose of any interest in any other body corporate that is a member of the ring-fenced body's group to an outside person;

(c) to dispose of other specified property or rights to an outside person;

(d) to apply to the court under Part 7 for an order sanctioning a ring-fencing transfer scheme relating to the transfer of the whole or part of the business of the authorised person or qualifying parent undertaking to an outside person.

(7) In subsections (5) and (6) "outside person" means a person who, after the implementation of the disposal or scheme in question, will not be a member of the group of the ring-fenced body by reference to which the powers are exercised (whether or not that body is to remain a ring-fenced body after the implementation of the disposal or scheme in question).

(8) It is immaterial whether a requirement to be imposed on an authorised person by the appropriate regulator, or by the other regulator at the direction of the appropriate regulator, is one that the regulator imposing it could impose under section 55L or 55M.

142M Procedure: preliminary notices

(1) If the appropriate regulator proposes to exercise the group restructuring powers in relation to any authorised person or qualifying parent undertaking ("the person concerned"), the regulator must give each of the relevant persons a notice (a "preliminary notice").

(2) The preliminary notice must—

(a) state that it is a preliminary notice,

(b) state that the regulator proposes to exercise the group restructuring powers,

(c) state the action which the regulator proposes to take in the exercise of those powers,

(d) be in writing, and

(e) give reasons for the proposed action (which must include the regulator's reasons for being satisfied as to the matters mentioned in section 142K(1)).

(3) The appropriate regulator must give a copy of the preliminary notice to the Treasury.

(4) The preliminary notice must specify a reasonable period (which may not be less than 14 days) within which any of the relevant persons may make representations to the regulator.

(5) The relevant persons are—

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(a) the person concerned,
(b) the ring-fenced body, if not the person concerned, and
(c) any other authorised person who will, in the opinion of the appropriate regulator, be significantly affected by the exercise of the group restructuring powers.

142N Procedure: warning notice and decision notice

(1) If the appropriate regulator has given a preliminary notice under section 142M, it must either—
(a) if, having considered any representations made by any of the relevant persons, it still proposes to exercise the group restructuring powers, give each of the relevant persons a warning notice during the warning notice period, or
(b) before the end of the warning notice period, give each of them a written notice stating that it has decided not to exercise the powers and give a copy of that notice to the Treasury.

(2) The "warning notice period" is the period—
(a) beginning 3 months after the end of the period specified under section 142M(4) as that within which any representations must be made, and
(b) ending 6 months after the end of that period.

(3) Before giving a warning notice under subsection (1)(a), the appropriate regulator must—
(a) give the Treasury a draft of the notice,
(b) provide the Treasury with any information that the Treasury may require in order to decide whether to give their consent, and
(c) obtain the consent of the Treasury.

(4) The action specified in the warning notice may be different from that specified in the preliminary notice if—
(a) the appropriate regulator considers that different action is appropriate as a result of any change in circumstances since the preliminary notice was given, or
(b) the person concerned consents to the change.

(5) The regulator must, in particular, have regard to anything that—
(a) has been done by the person concerned since the giving of the preliminary notice, and
(b) represents action that would have been required in pursuance of the proposals in that notice.

(6) If the regulator decides to exercise the group restructuring powers it must give each of the relevant persons a decision notice.

(7) The decision notice must specify the date or dates by which each of the following must be completed—
(a) any disposal of shares, securities or other property that is required by the notice;
(b) any transfer of liabilities for which the notice requires arrangements to be made.

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(8) The giving of consent for the purpose of subsection (4)(b) does not affect any right to refer to the Tribunal the matter to which any decision notice resulting from the warning notice relates.

(9) "The relevant persons" has the same meaning as in section 142M.

142O References to Tribunal

(1) A notified person who is aggrieved by—

(a) the imposition by either regulator of a requirement as a result of section 142L(2)(a) or (b) or (3)(a) or (b),

(b) a requirement to be imposed as a result of the giving by one regulator to the other of a direction under section 142L(2)(c) or (3)(c), or

(c) the giving by either regulator of a direction under section 142L(2)(d) or (3)(d),

may refer the matter to the Tribunal.

(2) "Notified person" means a person to whom a decision notice under section 142N(6) was given or ought to have been given.

142P Subsequent variation of requirement or direction

(1) A regulator may at any time with the consent of the person concerned vary—

(a) a requirement imposed by it as a result of section 142L(2)(a) or (b) or (3)(a) or (b), or

(b) a direction given by it as a result of section 142L(2)(c) or (d) or (3)(c) or (d).

(2) The person concerned may at any time apply to the appropriate regulator for the variation of—

(a) a requirement imposed by it as a result of section 142L(2)(a) or (b) or (3)(a) or (b), or

(b) a direction given by it as a result of section 142L(2)(c) or (d) or (3)(c) or (d).

(3) Sections 55U, 55V, 55X and 55Z3 apply to an application under subsection (2) as they apply to an application for the variation of a requirement imposed by the appropriate regulator under section 55L or 55M.

142Q Consultation etc. between regulators

(1) Where a notice under section 142M or a warning notice or decision notice under section 142N relates to a requirement to be imposed in pursuance of a direction to be given as a result of section 142L(2)(c) or (3)(c), the appropriate regulator must—

(a) consult the other regulator before giving the notice, and

(b) give a copy of the notice to the other regulator.

(2) The appropriate regulator must consult the other regulator before varying under section 142P a direction given as a result of section 142L(2)(c) or (3)(c).

(3) Directions given by the FCA as a result of section 142L(3)(c) are subject to any directions given to the FCA under section 3I.

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142R Relationship with regulators' powers under Parts 4A and 12A

(1) Subsection (2) applies in relation to—

(a) a ring-fenced body which is a member of a mixed group, and

(b) a parent undertaking of such a ring-fenced body.

(2) A regulator may not exercise its general powers in relation to the ring-fenced body or parent undertaking so as to achieve either of the results in subsection (3).

(3) Those results are—

(a) that no existing group member is a parent undertaking of the ring-fenced body;

(b) that the ring-fenced body is not a member of a mixed group.

(4) In subsection (3)(a) "existing group member" means a person who is a member of the ring-fenced body's group at the time when the requirement is imposed or the direction given.

(5) Except as provided by subsections (1) to (4), the provisions of sections 142K to 142Q do not limit the general powers of either regulator.

(6) For the purposes of this section, a regulator's "general powers" are its powers under the following provisions—

(a) section 55L or 55M (imposition of requirements in connection with Part 4A permission);

(b) section 192C (power to direct qualifying parent undertaking).

(7) For the purposes of this section, a ring-fenced body is a member of a mixed group if a member of the ring-fenced body's group carries on an excluded activity.

Failure of parent undertaking to comply with direction

142S Power to impose penalty or issue censure

(1) This section applies if a regulator is satisfied that a person who is or has been a qualifying parent undertaking ("P") has contravened a requirement of a direction given to P by that regulator as a result of section 142L(2)(d) or (3)(d).

(2) The regulator may impose a penalty of such amount as it considers appropriate on—

(a) P, or

(b) any person who was knowingly concerned in the contravention.

(3) The regulator may, instead of imposing a penalty on a person, publish a statement censuring the person.

(4) The regulator may not take action against a person under this section after the end of the limitation period unless, before the end of that period, it has given a warning notice to the person under section 142T.

(5) "The limitation period" means the period of 3 years beginning with the first day on which the regulator knew of the contravention.

(6) For this purpose a regulator is to be treated as knowing of a contravention if it has information from which the contravention can reasonably be inferred.

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(7) The requirements that a regulator may be required to impose as a result of a direction under section 142L(2)(c) or (3)(c) include requirements that the regulator would not but for the direction have power to impose.

142T Procedure and right to refer to Tribunal

(1) If a regulator proposes to take action against a person under section 142S, it must give the person a warning notice.

(2) A warning notice about a proposal to impose a penalty must state the amount of the penalty.

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

(4) If the regulator decides to take action against a person under section 142S, it must give the person a decision notice.

(5) A decision notice about the imposition of a penalty must state the amount of the penalty.

(6) A decision notice about the publication of a statement must set out the terms of the statement.

(7) If the regulator decides to take action against a person under section 142S, the person may refer the matter to the Tribunal.

142U Duty on publication of statement

After a statement under section 142S(3) is published, the regulator must send a copy of the statement to—

(a) the person in respect of whom it is made, and

(b) any person to whom a copy of the decision notice was given under section 393(4).

142V Imposition of penalties under section 142S: statement of policy

(1) Each regulator must prepare and issue a statement of policy with respect to—

(a) the imposition of penalties under section 142S, and

(b) the amount of penalties under that section.

(2) A regulator's policy in determining what the amount of a penalty should be must include having regard to—

(a) the seriousness of the contravention,

(b) the extent to which the contravention was deliberate or reckless, and

(c) whether the person on whom the penalty is to be imposed is an individual.

(3) A regulator may at any time alter or replace a statement issued under this section.

(4) If a statement issued under this section is altered or replaced, the regulator must issue the altered or replacement statement.

(5) In exercising, or deciding whether to exercise, a power under section 142S(2) in the case of any particular contravention, a regulator must have regard to any statement

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of policy published under this section and in force at a time when the contravention occurred.

(6) A statement under this section must be published by the regulator concerned in the way appearing to the regulator to be best calculated to bring it to the attention of the public.

(7) A regulator may charge a reasonable fee for providing a person with a copy of the statement published under this section.

(8) A regulator must, without delay, give the Treasury a copy of any statement which it publishes under this section.

(9) Section 192I applies in relation to a statement under this section as it applies in relation to a statement under section 192H.

Pension liabilities

142W Pension liabilities

(1) The Treasury may by regulations require a ring-fenced body to make arrangements for any one or more of the following purposes—

(a) ensuring that, except in prescribed cases, the ring-fenced body cannot become liable to meet, or contribute to the meeting of, pension liabilities which arise in connection with persons' service on or after a date specified in the regulations ("the specified date") in any employment, other than service in an employment in respect of which the employer is a ring-fenced body;

(b) ensuring that, except in prescribed cases, the default of a person other than another ring-fenced body would not result in the ring-fenced body becoming liable to meet, or contribute to the meeting of, pension liabilities arising in connection with persons' service in any employment before the specified date;

(c) to the extent that it is not possible to ensure the result mentioned in paragraph (a) or (b), minimising any potential liability falling within paragraph (a) or (b).

(2) The regulations may make provision enabling the trustees or managers of a relevant pension scheme in respect of which the employer or one of the employers is a ring-fenced body—

(a) to transfer to another relevant pension scheme all or part of the pension liabilities arising in connection with persons' service before the specified date together with all or part of the assets of the scheme, or

(b) to divide the scheme into two or more sections in relation to which prescribed conditions are met.

(3) The regulations may make provision—

(a) enabling a ring-fenced body to apply to the court in a case where the ring-fenced body has been unable to reach agreement with another person ("P") about the making of arrangements with P on commercial terms for one or more of the purposes in subsection (1), and

(b) enabling the court on such an application to order P to enter into arrangements with the ring-fenced body for those purposes on such terms as the court considers fair and reasonable in the circumstances.

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(4) The regulations must provide that any terms specified by the court by virtue of provision made under subsection (3)—

(a) must be terms which, in the court's opinion, represent terms on which the arrangements might be entered into if they were being entered into for commercial reasons between willing parties dealing at arm's length, and

(b) may involve the payment of any sum by instalments.

(5) The regulations may make other provision—

(a) about the making by a ring-fenced body of arrangements for one or more of the purposes in subsection (1);

(b) about any transfer or division falling within subsection (2).

(6) The regulations may in particular—

(a) require a ring-fenced body to cease to participate in a relevant pension scheme unless the scheme is divided into two or more sections in relation to which prescribed conditions are met;

(b) provide that assets or liabilities of a relevant pension scheme may not be transferred under the arrangements to another occupational pension scheme unless the other scheme meets prescribed conditions;

(c) require ring-fenced bodies to establish new occupational pension schemes in prescribed circumstances;

(d) provide that any provision of a relevant pension scheme that might prevent the making of the arrangements, other than a provision requiring the consent of the trustees or managers of the scheme, is not to have effect in prescribed circumstances;

(e) make provision enabling the trustees or managers of a relevant pension scheme, with the consent of the employers in relation to the scheme, to modify the scheme by resolution for the purpose of enabling the arrangements to be made;

(f) require the trustees or managers of a relevant pension scheme or any employer in relation to a relevant pension scheme to give notice of prescribed matters to prescribed persons;

(g) make provision enabling the court, on an application made in accordance with the regulations by a ring-fenced body, if it appears to the court that the trustees or managers of a relevant pension scheme, or an employer in relation to such a scheme, have unreasonably refused their consent to any step that would enable the arrangements to be made, to order that the step may be taken without that consent;

(h) confer exemption from any provision of the regulations in prescribed cases;

(i) confer functions on the PRA;

(j) provide that a ring-fenced body which contravenes a prescribed requirement of the regulations is to be taken to have contravened a requirement imposed by the PRA under this Act;

(k) modify, exclude or apply (with or without modification) any primary or subordinate legislation.

(7) The Treasury may by regulations require an authorised person who will or may be a ring-fenced body or an authorised person who will or may be a member of a ring-fenced body's group to do all it can to obtain from the Pensions Regulator a clearance statement in relation to any arrangements to be made for the purpose of complying with—

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(a) regulations under this section, or

(b) any provision made by or under this Part (other than this section) when the provision comes into force.

(8) A "clearance statement" is a statement issued by the Pensions Regulator under any of the following provisions—

(a) section 42 of the Pensions Act 2004 (clearance statements relating to contribution notice under section 38);

(b) section 46 of that Act (clearance statements relating to financial support directions);

(c) Article 38 of the Pensions (Northern Ireland) Order 2005 (clearance statements relating to contribution notices under article 34);

(d) Article 42 of that Order (clearance statements relating to financial support directions).

(9) In relation to a ring-fenced body that is not a PRA-authorised person, references in subsection (6) to the PRA are to be read as references to the FCA.

(10) Regulations under this section may not require ring-fenced bodies to achieve the results mentioned in subsection (1) before 1 January 2026, but this does not prevent the regulations requiring steps to be taken at any time after the regulations come into force.

142X Further interpretative provisions for section 142W

(1) The following provisions have effect for the interpretation of section 142W and this section.

(2) "Relevant pension scheme" means an occupational pension scheme that is not a money purchase scheme.

(3) "Occupational pension scheme" has the meaning given in section 1 of the Pension Schemes Act 1993 or section 1 of the Pension Schemes (Northern Ireland) Act 1993 and, in relation to such a scheme, "member" and "trustees or managers" have the same meaning as in Part 1 of the Pensions Act 1995 or Part 2 of the Pensions (Northern Ireland) Order 1995.

(4) "Money purchase scheme" has the meaning given in section 181(1) of the Pension Schemes Act 1993 or section 176(1) of the Pension Schemes (Northern Ireland) Act 1993.

(5) "Employer", in relation to a relevant pension scheme, means—

(a) a person who is for the purposes of Part 1 of the Pensions Act 1995 or Part 2 of the Pensions (Northern Ireland) Order 1995 an employer in relation to the scheme, and

(b) any other person who has or may have any liability under the scheme.

(6) "Employment" has the meaning given in section 181(1) of the Pension Schemes Act 1993 or section 176(1) of the Pension Schemes (Northern Ireland) Act 1993.

(7) "Pension liabilities" means liabilities attributable to or associated with the provision under a relevant pension scheme of pensions or other benefits.

(8) "The court" means—

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(a) in relation to England and Wales or Northern Ireland, the High Court, and
(b) in relation to Scotland, the Court of Session.

Loss-absorbency requirements

142Y Power of Treasury in relation to loss-absorbency requirements

(1) The Treasury may by order make provision about the exercise by either regulator of its functions under this Act, so far as they are (apart from the order) capable of being exercised in relation to a relevant body so as to require the relevant body—
(a) to issue any debt instrument, or
(b) to ensure that any part of the relevant body's debt consists of debt owed by it in respect of debt instruments, or debt instruments of a particular kind.

(2) A "relevant body" is—
(a) a ring-fenced body,
(b) any other body corporate that has a Part 4A permission relating to the regulated activity of accepting deposits, or
(c) a body corporate that is a member of the group of a body falling within paragraph (a) or (b).

(3) "Debt instrument" means—
(a) a bond,
(b) any other instrument creating or acknowledging a debt, or
(c) an instrument giving rights to acquire a debt instrument.

(4) An order under this section may in particular—
(a) require the regulator to exercise its functions so as to require relevant bodies to do either or both of the things mentioned in subsection (1);
(b) limit the extent to which the regulator may require a relevant body's debt to consist of debt owed in respect of debt instruments or of debt instruments of a kind specified in the order;
(c) require the regulator—
(i) to make, or not to make, provision by reference to specified matters, or
(ii) to have regard, or not to have regard, to specified matters;
(d) require the regulator to consult, or obtain the consent of, the Treasury before making rules of a specified description or exercising any other specified function;
(e) impose on the regulator in connection with the exercise of a specified function procedural requirements which would not otherwise apply to the exercise of the function;
(f) refer to a publication issued by a regulator, another body in the United Kingdom or an international organisation, as the publication has effect from time to time.

(5) "Specified" means specified in the order.

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General

142Z Affirmative procedure in relation to certain orders under Part 9B

(1) This section applies to an order containing provision made under any of the following provisions of this Part—

(a) section 142A(2)(b);

(b) section 142B(2) or (5);

(c) section 142C;

(d) section 142D(2) or (4);

(e) section 142E;

(f) section 142I;

(g) section 142Y.

(2) No order to which this section applies may be made unless—

(a) a draft of the order has been laid before Parliament and approved by a resolution of each House, or

(b) subsection (4) applies.

(3) Subsection (4) applies if an order under 142D(4) or 142E contains a statement that the Treasury are of the opinion that, by reason of urgency, it is necessary to make the order without a draft being so laid and approved.

(4) Where this subsection applies the order—

(a) must be laid before Parliament after being made, and

(b) ceases to have effect at the end of the relevant period unless before the end of that period the order is approved by a resolution of each House of Parliament (but without that affecting anything done under the order or the power to make a new order).

(5) The "relevant period" is a period of 28 days beginning with the day on which the order is made.

(6) In calculating the relevant period no account is to be taken of any time during which Parliament is dissolved or prorogued or during which either House is adjourned for more than 4 days.

142Z1 Interpretation of Part 9B

(1) This section has effect for the interpretation of this Part.

(2) Any reference to—

(a) the regulated activity of accepting deposits, or

(b) the regulated activity of dealing in investments as principal,

is to be read in accordance with Schedule 2, taken with any order under section 22.

(3) Any reference to the group restructuring powers is to be read in accordance with section 142L(1).

(4) Any reference to a qualifying parent undertaking is to be read in accordance with section 142L(4).**]**

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[F1233PART 9C

PRUDENTIAL REGULATION OF FCA INVESTMENT FIRMS

Textual Amendments

F1233 Pt. 9C inserted (1.7.2021) by Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 2 para. 1**; S.I. 2021/671, reg. 4(b)

Interpretation

143A FCA investment firms

(1) In this Part, "FCA investment firm" means an investment firm that—

(a) is an authorised person within the meaning of section 31(1)(a),

(b) is not for the time being designated by the PRA under article 3 of the Financial Services and Markets Act 2000 (PRA-regulated Activities) Order 2013 (S.I. 2013/556), and

(c) has its registered office or, if it has no registered office, its head office in the United Kingdom.

(2) But the following are not FCA investment firms—

(a) a person excluded from the definition of "investment firm" in Article 3(1) of the Financial Services and Markets 2000 (Regulated Activities) Order 2001 (S.I. 2001/544) by paragraph (a) or (b) of that definition;

(b) an investment firm which has a Part 4A permission to carry on regulated activities as an exempt investment firm within the meaning of regulation 8 of the Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701).

143B Other terms used in this Part

(1) In this Part—

"authorised parent undertaking" means a parent undertaking that—

(a) is incorporated in the United Kingdom or has its principal place of business in the United Kingdom, and

(b) is an authorised person;

"on a consolidated basis" means as if all members of an FCA investment firm's group are a single FCA investment firm;

"Directive 2013/36/EU UK law" means the law of the United Kingdom which was relied on immediately before **[**F1234**]** 1 January 2022**]** to implement the capital requirements directive and its implementing measures as it has effect—

(a) on IP completion day, in the case of rules made by the FCA or the PRA under this Act, and

(b) as amended from time to time, in all other cases;

"EU tertiary legislation" has the meaning given in section 20 of the European Union (Withdrawal) Act 2018;

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"governance arrangements" includes organisational structure, lines of responsibility and internal control mechanisms;

"integrity", in relation to the UK financial system, has the meaning given in section 1D;

"investment firm" has the meaning given in Article 4(1)(2) of the capital requirements regulation;

"non-authorised parent undertaking" means a parent undertaking that—

(a) is incorporated in the United Kingdom or has its principal place of business in the United Kingdom, and

(b) is not an authorised person.

(2) The Treasury may by regulations make provision about the meaning of the following terms for the purposes of this Part—

"on a consolidated basis";

"group";

"parent undertaking";

"subsidiary undertaking".

(3) Regulations under subsection (2) may, among other things, amend, repeal or otherwise modify provisions of this Act.

(4) In this Part, references to instruments made under the capital requirements regulation include EU tertiary legislation made under that regulation which forms part of **[**[F1235]assimilated**]** law.

Textual Amendments

F1234 Words in s. 143B(1) substituted (1.1.2022) by The Financial Services and Markets Act 2000 (Consequential Amendments of References to Rules) Regulations 2021 (S.I. 2021/1388), regs. 1(2), **2(2)**

F1235 Word in s. 143B(4) substituted (1.1.2024) by The Retained EU Law (Revocation and Reform) Act 2023 (Consequential Amendment) Regulations 2023 (S.I. 2023/1424), reg. 1(2), **Sch. para. 44(2)(c)**

Rules

143C Duty to make rules applying to FCA investment firms

(1) In the exercise of its power to make general rules, the FCA must make rules applying to FCA investment firms which impose the following types of prudential requirements—

(a) requirements relating to the types and amounts of capital and liquid assets that such firms must hold in order to manage the risks specified in or under subsection (2);

(b) requirements relating to the management of risks arising from the strength or extent of such firms' relationships with, or direct exposure to, a single client or group of connected clients;

(c) reporting requirements related to requirements described in paragraph (a) or (b);

(d) public disclosure requirements related to requirements described in paragraph (a) or (b);

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(e) requirements in respect of governance arrangements related to the risks specified in or under subsection (2);

(f) requirements in respect of remuneration policies and practices related to the risks specified in or under subsection (2).

(2) The risks referred to in subsection (1)(a), (e) and (f) are—

(a) the risks to consumers (as defined in section 1G) arising from FCA investment firms,

(b) the risks to the integrity of the UK financial system arising from FCA investment firms,

(c) the risks to which FCA investment firms are exposed, and

(d) any other risks specified by the Treasury by regulations.

(3) General rules made for the purpose of subsection (1) may, among other things—

(a) impose requirements to be satisfied on an individual basis or on a consolidated basis;

(b) impose requirements relating to the processes for consolidation;

(c) make provision relating to transactions between an FCA investment firm and a member of its group, including provision requiring the disclosure of information;

(d) provide for exceptions from requirements;

(e) make provision by reference to the capital requirements regulation, to an instrument made under the capital requirements regulation or to Directive 2013/36/EU UK law, as amended from time to time.

F1236(4) . . . . . .

Textual Amendments

F1236 S. 143C(4) omitted (1.1.2024) by virtue of The Financial Services and Markets Act 2023 (Consequential Amendments) Regulations 2023 (S.I. 2023/1410), regs. 1(2), **2(3)**

Modifications etc. (not altering text)

C610 S. 143C: power to amend conferred (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 67(1)(a)**, 86(3); S.I. 2023/779, reg. 4(ss)

143D Duty to make rules applying to parent undertakings

(1) In the exercise of its power to make general rules, the FCA must make rules applying to authorised parent undertakings of FCA investment firms which impose the following types of prudential requirements—

(a) requirements relating to the types and amounts of capital and liquid assets that such undertakings must hold in order to manage the risks specified in or under subsection (2);

(b) requirements relating to the management of risks arising from the strength or extent of such undertakings' relationships with, or direct exposure to, a single client or group of connected clients;

(c) reporting requirements related to requirements described in paragraph (a) or (b);

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(d) public disclosure requirements related to requirements described in paragraph (a) or (b);

(e) requirements in respect of governance arrangements related to the risks specified in or under subsection (2);

(f) requirements in respect of remuneration policies and practices related to the risks specified in or under subsection (2).

(2) The risks referred to in subsection (1)(a), (e) and (f) are—

(a) the risks to consumers (as defined in section 1G) arising from FCA investment firms, from parent undertakings of FCA investment firms and from FCA investment firms belonging to groups,

(b) the risks to the integrity of the UK financial system arising from FCA investment firms, from parent undertakings of FCA investment firms and from FCA investment firms belonging to groups,

(c) the risks to which FCA investment firms are exposed by virtue of their relationship with their parent undertaking, and

(d) any other risks specified by the Treasury by regulations.

(3) The FCA must make rules applying to non-authorised parent undertakings of FCA investment firms which impose requirements described in subsection (1), where such rules appear to it to be necessary or expedient for the purpose of advancing one or more of its operational objectives.

(4) Rules made for the purpose of subsection (1) or under subsection (3) may, among other things—

(a) impose requirements to be satisfied on an individual basis or on a consolidated basis;

(b) impose requirements relating to the processes for consolidation;

(c) make provision relating to transactions between a parent undertaking of an FCA investment firm and a member of its group, including provision requiring the disclosure of information;

(d) provide for exceptions from requirements;

(e) make provision by reference to the capital requirements regulation, to an instrument made under the capital requirements regulation or to Directive 2013/36/EU UK law, as amended from time to time.

F1237(5) . . . . . .

F1238(6) . . . . . .

(7) Section 137H (rules about remuneration) applies where the FCA makes rules under subsection (3) prohibiting persons, or persons of a specified description, from being remunerated in a specified way as it applies where the FCA makes general rules imposing such a prohibition.

(8) Section 137I (Treasury direction to consider compliance with remuneration policies) applies where the FCA makes rules under subsection (3) requiring non-authorised parent undertakings, or non-authorised parent undertakings of a specified description, to act in accordance with a remuneration policy as it applies where the FCA makes general rules imposing such requirements on authorised persons, but as if—

(a) the references in that section to authorised persons were references to non-authorised parent undertakings of FCA investment firms, and

(b) subsection (7) of that section were omitted.

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(9) Section 141A (power to make consequential amendments of references to rules etc) applies to the exercise by the FCA of its power to make, alter or revoke rules under subsection (3) as it applies in relation to the exercise by the FCA of its power to make, alter or revoke rules under Part 9A.

(10) This section is subject to section 143E.

Textual Amendments

F1237 S. 143D(5) omitted (1.1.2024) by virtue of The Financial Services and Markets Act 2023 (Consequential Amendments) Regulations 2023 (S.I. 2023/1410), regs. 1(2), **2(4)**

F1238 S. 143D(6) omitted (1.1.2024) by virtue of The Financial Services and Markets Act 2023 (Consequential Amendments) Regulations 2023 (S.I. 2023/1410), regs. 1(2), **2(4)**

Modifications etc. (not altering text)

C611 S. 143D: power to amend conferred (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 67(1)(b)**, 86(3); S.I. 2023/779, reg. 4(ss)

143E Powers to make rules applying to parent undertakings

(1) Subsections (1) and (3) of section 143D do not require the FCA to make rules applying to parent undertakings of FCA investment firms which belong to a group which includes a relevant body, but the FCA may make rules described in those subsections applying to such parent undertakings.

(2) In subsection (1), "relevant body" means—

(a) an undertaking (as defined in section 1161(1) of the Companies Act 2006) that has its head office in the United Kingdom and that has permission under Part 4A to accept deposits, other than—

(i) an undertaking that also has permission under Part 4A to effect or carry out contracts of insurance, or

(ii) a credit union within the meaning of section 1 of the Credit Unions Act 1979;

(b) an investment firm that is for the time being designated by the PRA under article 3 of the Financial Services and Markets Act 2000 (PRA-regulated Activities) Order 2013 (S.I. 2013/556).

(3) The FCA may make rules applying to parent undertakings of FCA investment firms which impose requirements for the disclosure of information about such undertakings' branches and subsidiary undertakings outside the United Kingdom.

(4) The FCA's powers to make rules under subsections (1) and (3) are powers to do so—

(a) in relation to authorised parent undertakings, in exercise of its power to make general rules, and

(b) in relation to non-authorised parent undertakings, where such rules appear to it to be necessary or expedient for the purpose of advancing one or more of its operational objectives.

(5) Section 143D(4) **[**F1239applies**]** in relation to rules made by the FCA in exercise of the powers conferred by, or described in, this section as **[**F1240it applies**]** in relation to rules made in the performance of the FCA's duties under that section.

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(6) Section 143D [F1241]... (7), (8) and (9) apply in relation to rules made under this section applying to non-authorised parent undertakings as they apply in relation to rules made under section 143D(3).

Textual Amendments

F1239 Word in s. 143E(5) substituted (1.1.2024) by The Financial Services and Markets Act 2023 (Consequential Amendments) Regulations 2023 (S.I. 2023/1410), regs. 1(2), **2(5)(a)(i)**

F1240 Words in s. 143E(5) substituted (1.1.2024) by The Financial Services and Markets Act 2023 (Consequential Amendments) Regulations 2023 (S.I. 2023/1410), regs. 1(2), **2(5)(a)(ii)**

F1241 Word in s. 143E(6) omitted (1.1.2024) by virtue of The Financial Services and Markets Act 2023 (Consequential Amendments) Regulations 2023 (S.I. 2023/1410), regs. 1(2), **2(5)(b)**

143F Part 9C rules

(1) In this Act, "Part 9C rules" means rules made, or to be made, by the FCA—

(a) in the performance of its duties under section 143C or 143D, or

(b) in exercise of the powers conferred by, or described in, section 143E.

(2) The FCA must publish a list of all Part 9C rules in force in the way appearing to the FCA to be best calculated to bring it to the attention of people likely to be affected by the rules.

(3) The FCA's opinion as to whether a rule is a Part 9C rule is conclusive for all purposes.

143G Matters to consider when making Part 9C rules

(1) When making Part 9C rules, the FCA must, among other things, have regard to—

(a) any relevant standards set by an international standard-setting body, **[**[F1242]and**]**

[F1243](b) . . . . . .

[F1244](c) . . . . . .

(d) any other matter specified by the Treasury by regulations.

[F1245](2) . . . . . .

(3) When making Part 9C rules, the FCA must consider, and consult the Treasury about, the likely effect of the rules on relevant equivalence decisions.

(4) For the purpose of this section, an equivalence decision is "relevant" if the Treasury have, by notice in writing, informed the FCA that it is relevant for that purpose.

(5) In this section—

"equivalence decision" means a decision as to whether the law and practice of one country or territory is equivalent to the law and practice of another country or territory, either generally or as it relates to a particular matter;

"territory" includes the European Union and any other international organisation or authority comprising countries or territories.

(6) This section is subject to section 143I.

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Textual Amendments

F1242 Word in s. 143G(1) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 28(8)(a)(i)**, 86(3); S.I. 2023/779, reg. 4(s)

F1243 S. 143G(1)(b) omitted (29.8.2023) by virtue of Financial Services and Markets Act 2023 (c. 29), **ss. 28(8)(a)(ii)**, 86(3); S.I. 2023/779, reg. 4(s)

F1244 S. 143G(1)(c) omitted (29.8.2023) by virtue of Financial Services and Markets Act 2023 (c. 29), **ss. 28(8)(a)(ii)**, 86(3); S.I. 2023/779, reg. 4(s)

F1245 S. 143G(2) omitted (29.8.2023) by virtue of Financial Services and Markets Act 2023 (c. 29), **ss. 28(8)(b)**, 86(3); S.I. 2023/779, reg. 4(s)

Modifications etc. (not altering text)

C612 S. 143G(1)(c) excluded (1.7.2021) by Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 2 para. 22(a)**; S.I. 2021/671, **reg. 4(b)**

C613 S. 143G: power to amend conferred (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 67(1)(c)**, 86(3); S.I. 2023/779, reg. 4(ss)

143H Explanation to accompany consultation on rules

(1) A draft of proposed Part 9C rules published in accordance with section 138I(1)(b) must be accompanied by—

(a) an explanation of the provision that the FCA has considered it appropriate to include in the rules given the risks specified in or under section 143C(2) or 143D(2), and

(b) an explanation of the ways in which having regard to the matters specified in or under section 143G(1) has affected the proposed rules,

(as well as being accompanied by the information listed in section 138I(2)).

(2) If the FCA makes the proposed Part 9C rules, it must publish—

(a) a summary of the purpose of the proposed rules, and

(b) explanations complying with subsection (1),

(as well as the information required by section 138I(4) and (5)).

(3) This section is subject to section 143I.

Modifications etc. (not altering text)

C614 S. 143H(1)(b) modified (1.7.2021) by Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 2 para. 22(b)**; S.I. 2021/671, **reg. 4(b)**

143I Exceptions from sections 143G and 143H

(1) Sections 143G and 143H do not apply where the FCA makes Part 9C rules—

(a) in order to comply with a direction given by the Financial Policy Committee of the Bank of England under section 9H of the Bank of England Act 1998 (directions requiring macro-prudential measures), or

(b) in order to act in accordance with a recommendation made by that Committee under section 9Q of that Act (recommendations about the exercise of the FCA's functions).

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(2) Section 143H does not apply in relation to Part 9C rules if the FCA considers that the delay involved in complying with that section would be prejudicial to the interests of consumers (as defined in section 425A).

(3) If the FCA proposes Part 9C rules that change existing Part 9C rules and the changes consist of or include changes which, in the FCA's opinion, are not material—

(a) the explanations described in section 143H(1) are not required in relation to the rules to the extent that they make those changes, but

(b) the draft of the rules must be accompanied by a statement of the FCA's opinion.

(4) If the FCA makes Part 9C rules that change existing Part 9C rules and the changes consist of or include changes which, in the FCA's opinion, are not material—

(a) the summary and explanations described in section 143H(2) are not required in relation to the rules to the extent that they make those changes, but

(b) the FCA must publish a statement of its opinion.

(5) For the purposes of this section, whether a change to Part 9C rules is material is to be determined by the FCA by reference to, among other things, the risks specified in or under section 143C(2) or 143D(2) and the matters specified in or under section 143G(1).

Requirement to have UK parent undertaking

143J Requirement to have UK parent undertaking

(1) This section applies where—

(a) two or more FCA investment firms are subsidiary undertakings of the same parent undertaking,

(b) the parent undertaking's head office is in a country or territory outside the United Kingdom, and

(c) in the FCA's opinion, the law and practice in the other country or territory does not impose requirements on the parent undertaking which have equivalent effect to requirements imposed by Part 9C rules.

(2) Where this section applies, the FCA may exercise its power under section 55L(3) to impose a requirement on the FCA investment firms to secure that a parent undertaking with its head office in the United Kingdom is established.

Imposition of requirements on non-authorised parent undertakings

143K Imposition of requirements on non-authorised parent undertakings

(1) The FCA may, on the application of a non-authorised parent undertaking of an FCA investment firm—

(a) impose a requirement on the parent undertaking,

(b) vary a requirement imposed on the parent undertaking under this section, or

(c) cancel such a requirement.

(2) The FCA may exercise its power under subsection (3) in relation to a non-authorised parent undertaking of an FCA investment firm if it appears to the FCA that—

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(a) it is necessary or expedient to do so in order to manage risks specified in or under section 143D(2), and

(b) it is desirable to do so in order to advance one or more of its operational objectives.

(3) The FCA's power under this subsection is a power—

(a) to impose a requirement,

(b) to vary a requirement imposed under this section, or

(c) to cancel such a requirement.

(4) The FCA may refuse an application under subsection (1) if it appears to the FCA that it is desirable to do so in order to advance one or more of the FCA's operational objectives.

(5) A requirement may, in particular, be imposed under this section—

(a) so as to require the parent undertaking to take specified action, or

(b) so as to require the parent undertaking to refrain from taking specified action.

(6) A requirement may be imposed by reference to the parent undertaking's relationship with—

(a) its group, or

(b) other members of its group.

(7) A requirement may refer to the past conduct of the parent undertaking (for example, by requiring the parent undertaking to review or take remedial action in respect of past conduct).

(8) A requirement may be expressed to expire at the end of a specified period, but the imposition of a requirement that expires at the end of a specified period does not affect the FCA's power to impose a new requirement.

(9) A requirement ceases to be in force if the person on whom it is imposed ceases to be a non-authorised parent undertaking of an FCA investment firm.

(10) For the purposes of a provision of this section which refers to the FCA's operational objectives, in relation to the exercise of a power in relation to a particular parent undertaking, it does not matter whether there is a relationship between the parent undertaking and the persons whose interests will be protected by the exercise of the power.

143L Applications under section 143K

(1) An application under section 143K(1) for the imposition or variation of a requirement must contain a statement of the desired requirement or variation.

(2) An application under section 143K(1)—

(a) must be made in such manner as the FCA may direct, and

(b) must contain, or be accompanied by, such other information as the FCA may reasonably require.

(3) At any time after the application is received and before it is determined, the FCA may require the applicant to provide it with such further information as the FCA reasonably considers necessary to enable it to determine the application.

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(4) The FCA may require an applicant to provide information which the applicant is required to provide the FCA under this section in such form, or to verify it in such a way, as the FCA may direct.

(5) Different directions may be given, and different requirements imposed, in relation to different applications or categories of application.

143M Determination of applications under section 143K

(1) The FCA must determine an application under section 143K(1)—

(a) if the application is complete, before the end of the period of six months beginning with the day on which the FCA received the application, or

(b) if the application is incomplete, before the end of the period of 12 months beginning with the day on which the FCA received the application.

(2) The applicant may withdraw the application, by giving the FCA a written notice, at any time before the FCA determines it.

(3) If the FCA grants an application under section 143K(1), it must give the applicant a written notice.

(4) The notice must state the date from which the requirement or variation has effect.

143N Refusal of applications under section 143K

(1) If the FCA proposes to refuse an application under section 143K(1), it must give the applicant a warning notice.

(2) If the FCA decides to refuse an application under section 143K(1), it must give the applicant a decision notice.

143O Exercise of own-initiative power under section 143K

(1) The imposition or variation of a requirement by the FCA under section 143K(2) takes effect—

(a) immediately, if the notice given under subsection (3) states that is the case,

(b) on such date as may be specified in the notice, or

(c) if no date is specified in the notice, when the matter to which the notice relates is no longer open to review.

(2) The imposition or variation of the requirement may be expressed to take effect immediately, or on a specified date, only if the FCA reasonably considers that it is necessary for it to take effect immediately or on that date, having regard to the ground on which it is exercising its power under section 143K(2).

(3) If the FCA—

(a) proposes to exercise its power under section 143K(2) so as to impose a requirement on a parent undertaking or to vary a requirement imposed on a parent undertaking, or

(b) exercises that power so as to impose a requirement on a parent undertaking, or to vary a requirement imposed on a parent undertaking, with immediate effect,

it must give the parent undertaking a written notice.

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(4) The notice must—

(a) give details of the requirement or its variation,

(b) state the FCA's reasons for imposing or varying the requirement,

(c) inform the parent undertaking that it may make representations to the FCA within the period specified in the notice (whether or not the parent undertaking has referred the matter to the Tribunal),

(d) inform the parent undertaking of when the imposition or variation of the requirement takes effect, and

(e) inform the parent undertaking of its right to refer the matter to the Tribunal.

(5) The FCA may extend the period allowed under the notice for making representations.

(6) If, having considered any representations made by the parent undertaking, the FCA decides—

(a) to impose the requirement or vary the requirement in the way proposed, or

(b) if the requirement has been imposed or varied, not to rescind its imposition or variation,

it must give the parent undertaking a written notice.

(7) A notice under subsection (6) must inform the parent undertaking of its right to refer the matter to the Tribunal.

(8) If, having considered any representations made by the parent undertaking, the FCA decides—

(a) not to impose the requirement or vary the requirement in the way proposed,

(b) to impose a different requirement or vary the requirement in a different way, or

(c) to rescind a requirement or variation which has effect,

it must give the parent undertaking a written notice.

(9) A notice under subsection (8)(b) must comply with subsection (4).

(10) If a notice under this section informs a person of the person's right to refer a matter to the Tribunal, it must give an indication of the procedure for such a reference.

(11) For the purposes of subsection (1)(c), whether a matter is open to review is to be determined in accordance with section 391(8).

143P Right to refer matters to the Tribunal

(1) An applicant who is aggrieved by the determination of an application under section 143K(1) may refer the matter to the Tribunal.

(2) A parent undertaking aggrieved by the exercise by the FCA of its power under section 143K(2) to impose a requirement on the parent undertaking, or vary a requirement imposed on the parent undertaking, may refer the matter to the Tribunal.

143Q Assets requirements

(1) This section makes provision about a requirement imposed on a non-authorised parent undertaking of an FCA investment firm ("N") under section 143K—

(a) prohibiting the disposal of, or other dealing with, any of N's assets (whether in the United Kingdom or elsewhere) or restricting such disposals or dealings, or

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(b) requiring that some or all of N's assets, or some or all assets belonging to consumers (as defined in section 1G) but held by N or to N's order, must be transferred to and held by a trustee approved by the FCA.

(2) If the FCA—

(a) imposes a requirement described in subsection (1)(a), and

(b) gives notice of the requirement to an institution with whom N keeps an account,

the notice has the effects set out in subsection (3).

(3) Those effects are that—

(a) the institution does not act in breach of a contract with N if, having been instructed by N (or on N's behalf) to transfer a sum or otherwise make a payment out of N's account, it refuses to do so in the reasonably held belief that complying with the instruction would be incompatible with the requirement, and

(b) if the institution complies with such an instruction, it is liable to pay to the FCA an amount equal to the amount transferred from, or otherwise paid out of, N's account in contravention of the requirement.

(4) If the FCA imposes a requirement described in subsection (1)(b), no assets held by a person as trustee in accordance with the requirement may, while the requirement is in force, be released or dealt with except with the consent of the FCA.

(5) If, while a requirement described in subsection (1)(b) is in force, N creates a charge over any assets of N held in accordance with the requirement, the charge is (to the extent that it confers security over the assets) void against the liquidator and N's creditors.

(6) Assets held by a person as trustee are to be taken to be held by the trustee in accordance with a requirement mentioned in subsection (1)(b) only if—

(a) N has given the trustee a written notice that those assets are to be held by the trustee in accordance with the requirement, or

(b) they are assets into which assets to which paragraph (a) applies have been transposed by the trustee on the instruction of N.

(7) A person who contravenes subsection (4) commits an offence and is liable—

(a) on summary conviction in England and Wales, to a fine;

(b) on summary conviction in Scotland or Northern Ireland, to a fine not exceeding level 5 on the standard scale.

(8) In this section, references to imposing a requirement (however expressed) include imposing a requirement by varying an existing requirement.

(9) In this paragraph, "charge" includes a mortgage (or, in Scotland, a security over property).

(10) Subsections (4) and (6) do not affect any equitable interest or remedy in favour of a person who is a beneficiary of a trust as a result of a requirement described in subsection (1)(b).

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Control of managers etc of non-authorised parent undertakings

143R Managers of non-authorised parent undertakings

A non-authorised parent undertaking of an FCA investment firm must take reasonable care to ensure that members of its management body—

(a) are of sufficiently good repute, and

(b) possess sufficient knowledge, skills and experience to perform their duties effectively.

143S Part 9C prohibition orders

(1) Subsection (2) applies where it appears to the FCA that an individual—

(a) is not of sufficiently good repute, or

(b) does not possess sufficient knowledge, skills and experience,

to perform a function in relation to an activity carried on by a non-authorised parent undertaking of an FCA investment firm.

(2) The FCA may make an order ("a Part 9C prohibition order") prohibiting the individual from performing the function.

(3) A Part 9C prohibition order may relate to—

(a) all functions in relation to an activity carried on by a non-authorised parent undertaking of an FCA investment firm, or

(b) a function specified in the order or of a description specified in the order.

(4) A Part 9C prohibition order may relate to—

(a) all activities of a non-authorised parent undertaking of an FCA investment firm, or

(b) an activity specified in the order or of a description specified in the order.

(5) A Part 9C prohibition order may relate to—

(a) all non-authorised parent undertakings of FCA investment firms, or

(b) an undertaking specified, or within a description specified, in the order.

(6) A non-authorised parent undertaking of an FCA investment firm must take reasonable care to ensure that none of its functions is performed by a person who is prohibited from performing that function by a Part 9C prohibition order.

143T Procedure for making a Part 9C prohibition order

(1) If the FCA proposes to make a Part 9C prohibition order it must give the individual to whom the order would apply a warning notice.

(2) The warning notice must set out the terms of the prohibition.

(3) If the FCA decides to make a Part 9C prohibition order it must give the individual to whom the order applies a decision notice.

(4) The decision notice must—

(a) name the individual to whom the Part 9C prohibition order applies, and

(b) set out the terms of the order.

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(5) If the FCA decides to make a Part 9C prohibition order, the individual to whom the order applies may refer the matter to the Tribunal.

143U Varying and withdrawing a Part 9C prohibition order

(1) The FCA may vary or revoke a Part 9C prohibition order on the application of the individual named in the order.

(2) On an application for the variation or revocation of a Part 9C prohibition order—
- (a) if the FCA decides to grant the application, it must give the applicant written notice of its decision,
- (b) if the FCA proposes to refuse the application, it must give the applicant a warning notice, and
- (c) if the FCA decides to refuse the application, it must give the applicant a decision notice.

(3) If the FCA gives the applicant a decision notice under subsection (2)(c), the applicant may refer the matter to the Tribunal.

143V Offence of breaching a Part 9C prohibition order

(1) An individual who performs a function, or agrees to perform a function, in breach of a Part 9C prohibition order commits an offence.

(2) An individual who commits an offence under this section is liable—
- (a) on summary conviction in England and Wales, to a fine, and
- (b) on summary conviction in Scotland or Northern Ireland, to a fine not exceeding level 5 on the standard scale.

(3) In proceedings for an offence under this section, it is a defence for the individual to show that they took all reasonable precautions and exercised all due diligence to avoid committing the offence.

Disciplinary measures for non-authorised parent undertakings

143W Disciplinary measures

(1) This section applies if the FCA is satisfied that a non-authorised parent undertaking of an FCA investment firm has contravened—
- (a) a provision of Part 9C rules,
- (b) a requirement imposed under section 143K,
- (c) section 143R, or
- (d) section 143S(6).

(2) The FCA may impose a penalty of such amount as it considers appropriate on any of the following—
- (a) the non-authorised parent undertaking;
- (b) a person who was knowingly concerned in the contravention.

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(3) The FCA may (instead of or in addition to imposing a penalty under subsection (2)) publish a statement to the effect that the person has contravened, or been knowingly concerned in a contravention of, a provision of Part 9C rules.

(4) Subsection (5) applies to—

(a) a member of the management body of the non-authorised parent undertaking, or

(b) a person not falling within paragraph (a) who is an employee of the non-authorised parent undertaking,

who was, at any time, knowingly concerned in the contravention.

(5) The FCA may impose, for such period as it considers appropriate, restrictions (including a ban) on the exercise by the person of functions of an FCA investment firm or a parent undertaking of an FCA investment firm.

(6) The FCA may—

(a) vary a restriction imposed under subsection (5) so as to reduce the period for which it has effect or otherwise to limit its effect, or

(b) cancel the restriction.

(7) The FCA may not take action against a person under this section after the end of the limitation period unless, before the end of that period, it has given a warning notice to the person under section 143X.

(8) In subsection (7), "the limitation period" means the period of six years beginning with the first day on which the FCA knew of the contravention.

(9) For the purpose of subsection (8), the FCA is to be treated as knowing of a contravention if it has information from which the contravention can reasonably be inferred.

(10) In this section, "management body" means the board of directors or, if there is no such board, the equivalent body responsible for the management of the undertaking concerned.

(11) The reference in subsection (4) to an employee of a person ("P") includes a person who—

(a) personally provides, or is under an obligation personally to provide, services to P under an arrangement made between P and the person providing the services or another person, and

(b) is subject to (or to the right of) supervision, direction or control by P as to the manner in which those services are provided.

143X Procedure for disciplinary measures

(1) If the FCA proposes to take action against a person under section 143W(2), (3) or (5) it must give the person a warning notice.

(2) A warning notice about a proposal to impose a penalty must state the amount of the penalty.

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

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(4) A warning notice about a proposal to impose a restriction under section 143W(5) must state—

(a) the terms of the restriction, and

(b) the period for which the restriction is to have effect.

(5) If the FCA decides to take action against a person under section 143W(2), (3) or (5) it must give the person a decision notice.

(6) A decision notice about the imposition of a penalty must state the amount of the penalty.

(7) A decision notice about the publication of a statement must state the terms of the statement.

(8) After the statement is published, the FCA must send a copy of the statement to—

(a) the person in respect of whom it is made, and

(b) any person to whom a copy of the decision notice was given under section 393(4).

(9) A decision notice about the imposition of a restriction under section 143W(5) must state—

(a) the terms of the restriction, and

(b) the period for which the restriction is to have effect.

(10) If the FCA decides to take action against a person under section 143W(2), (3) or (5), the person may refer the matter to the Tribunal.

(11) If the FCA decides to vary or cancel a restriction under section 143W(6), it must give written notice of its decision to the applicant.

143Y Statement of policy for penalties under section 143W

(1) The FCA must prepare and issue a statement of policy with respect to—

(a) the imposition of penalties under section 143W, and

(b) the amount of penalties under that section.

(2) The FCA's policy in determining what the amount of a penalty should be must include having regard to—

(a) the seriousness of the contravention,

(b) the extent to which the contravention was deliberate or reckless, and

(c) whether the person on whom the penalty is to be imposed is an individual.

(3) The FCA may at any time alter or replace a statement issued under this section.

(4) If a statement issued under this section is altered or replaced, the FCA must issue the altered or replacement statement.

(5) In exercising, or deciding whether to exercise, a power under section 143W(2) in the case of any particular contravention, the FCA must have regard to any statement of policy published under this section and in force at a time when the contravention occurred.

(6) A statement under this section must be published by the FCA in the way appearing to the FCA to be best calculated to bring it to the attention of the public.

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(7) The FCA must, without delay, give the Treasury a copy of any statement which it publishes under this section.

(8) The FCA may charge a reasonable fee for providing a person with a copy of a statement published under this section.

143Z Procedure for statement of policy

(1) Before issuing a statement of policy under section 143Y, the FCA must publish a draft of the proposed statement in the way appearing to the FCA to be best calculated to bring it to the attention of the public.

(2) The draft must be accompanied by notice that representations about the proposal may be made to the FCA within a specified time.

(3) Before issuing the proposed statement, the FCA must have regard to any representations made to it in accordance with subsection (2).

(4) If the FCA issues the proposed statement, it must publish an account in general terms of—

(a) the representations made to it in accordance with subsection (2), and

(b) its response to them.

(5) If the statement differs from the draft published under subsection (1) in a way which is, in the FCA's opinion, significant, the FCA must publish details of the difference (in addition to complying with subsection (4)).

(6) The FCA may charge a reasonable fee for providing a person with a copy of a draft published under subsection (1).

(7) This section also applies to a proposal to alter or replace a statement.**]**

[F1246]PART 9D

PRUDENTIAL REGULATION OF CREDIT INSTITUTIONS ETC

Textual Amendments

F1246 Pt. 9D repealed (1.1.2024 for the repeal of s. 144H(2)) by Financial Services and Markets Act 2023 (c. 29), s. 86(3), **Sch. 1 Pt. 4** (with ss. 1(4), 7(4)); S.I. 2023/779, reg. 5(e)(iii)

Interpretation

144A CRR rules

(1) In this Act, "CRR rules" means rules of a type described in subsection (2) to the extent that they make provision about a matter described in subsection (3).

(2) The types of rules are—

(a) general rules made, or to be made, by the PRA applying to CRR firms or a description of CRR firm;

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(b) rules made, or to be made, under section 192XA.

(3) The matters are any matter that is the subject of—

(a) a relevant provision of the capital requirements regulation, or

(b) a CRR Basel standard.

(4) For the purposes of subsection (3)(a), a provision is "relevant" if—

(a) it has been or may be revoked by regulations made under section 3(1) of the Financial Services Act 2021, [F1247]...

(b) it has been revoked by regulations made under section 3(3) or (5) of that Act [F1248, or

(c) it has been or may be revoked by section 1 of the Financial Services and Markets Act 2023.]

(5) In subsection (3)—

(a) the reference to a matter that is the subject of a provision of the capital requirements regulation includes a matter that is the subject of an instrument made under the provision, and

(b) the reference to a matter that is the subject of a CRR Basel standard includes such a matter as it relates to any CRR firm (even where the standard in question does not apply to all CRR firms).

Textual Amendments

F1247 Word in s. 144A(4)(a) omitted (22.11.2024) by virtue of The Prudential Regulation of Credit Institutions (Meaning of CRR Rules and Recognised Exchange) (Amendment) Regulations 2024 (S.I. 2024/1200), regs. 1(2), **2(a)**

F1248 S. 144A(4)(c) and word inserted (22.11.2024) by The Prudential Regulation of Credit Institutions (Meaning of CRR Rules and Recognised Exchange) (Amendment) Regulations 2024 (S.I. 2024/1200), regs. 1(2), **2(b)**

144B Terms used in this Part

(1) In this Part—

"CRR Basel standard" has the meaning given in section 4 of the Financial Services Act 2021;

"CRR firm" has the same meaning as in the capital requirements regulation;

"EU tertiary legislation" has the meaning given in section 20 of the European Union (Withdrawal) Act 2018.

(2) In this Part, references to instruments made under the capital requirements regulation include EU tertiary legislation made under that regulation which forms part of [F1249assimilated] law.

Textual Amendments

F1249 Word in s. 144B(2) substituted (1.1.2024) by The Retained EU Law (Revocation and Reform) Act 2023 (Consequential Amendment) Regulations 2023 (S.I. 2023/1424), reg. 1(2), **Sch. para. 44(2)(d)**

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Making CRR rules

144C Matters to consider when making CRR rules

(1) When making CRR rules, the PRA must, among other things, have regard to—

(a) relevant standards recommended by the Basel Committee on Banking Supervision from time to time,

(b) the likely effect of the rules on the relative standing of the United Kingdom as a place for internationally active credit institutions and investment firms to be based or to carry on activities,

(c) the likely effect of the rules on the ability of CRR firms to continue to provide finance to businesses and consumers in the United Kingdom on a sustainable basis in the medium and long term,

(d) the target in section 1 of the Climate Change Act 2008 (carbon target for 2050), and

(e) any other matter specified by the Treasury by regulations.

(2) For the purposes of subsection (1)(b), the PRA must consider the United Kingdom's standing in relation to the other countries and territories in which, in its opinion, internationally active credit institutions and investment firms are most likely to choose to be based or carry on activities.

(3) When making CRR rules, the PRA must consider, and consult the Treasury about, the likely effect of the rules on relevant equivalence decisions.

(4) For the purpose of this section, an equivalence decision is "relevant" if the Treasury have, by notice in writing, informed the PRA that it is relevant for that purpose.

(5) In this section—

"consumer" means an individual who is acting for purposes outside those of any trade, business or profession carried on by the individual;

"equivalence decision" means a decision as to whether the law and practice of one country or territory is equivalent to the law and practice of another country or territory, either generally or as it relates to a particular matter;

"territory" includes the European Union and any other international organisation or authority comprising countries or territories.

(6) This section is subject to section 144E.

Modifications etc. (not altering text)
C615 S. 144C modified (temp.) (22.8.2023) by The Financial Services and Markets Act 2023 (Commencement No. 2 and Transitional Provisions) Regulations 2023 (S.I. 2023/936), **reg. 5**

144D Explanation to accompany consultation on CRR rules

(1) A draft of proposed CRR rules published in accordance with section 138J(1)(b) must be accompanied by an explanation of the ways in which having regard to the matters specified in or under section 144C(1) has affected the proposed rules (as well as being accompanied by the information listed in section 138J(2)).

(2) If the PRA makes the proposed CRR rules, it must publish—

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(a) a summary of the purpose of the proposed rules, and

(b) an explanation complying with subsection (1),

(as well as the information required by section 138J(4) and (5)).

(3) This section is subject to section 144E.

Modifications etc. (not altering text)

C616 S. 144D restricted (13.3.2023 at 8.00 a.m.) by The Amendments of the Law (Resolution of Silicon Valley Bank UK Limited) Order 2023 (S.I. 2023/319), arts. 1(2), **4(1)**

C617 S. 144D modified (temp.) (22.8.2023) by The Financial Services and Markets Act 2023 (Commencement No. 2 and Transitional Provisions) Regulations 2023 (S.I. 2023/936), **reg. 5**

144E Exceptions from sections 144C and 144D etc

(1) Sections 144C and 144D do not apply where the PRA makes CRR rules—

(a) in order to comply with a direction given by the Financial Policy Committee of the Bank of England under section 9H of the Bank of England Act 1998 (directions requiring macro-prudential measures), or

(b) in order to act in accordance with a recommendation made by that Committee under section 9Q of that Act (recommendations about the exercise of the PRA's functions).

(2) Section 144C does not apply where the PRA makes CRR rules to the extent that they make provision ("CRR restatement provision") reproducing without any changes which, in the PRA's opinion, are material—

(a) a provision of the capital requirements regulation as it had effect immediately before it was revoked by regulations made under section 3 of the Financial Services Act 2021, or

(b) a provision of an instrument made under the capital requirements regulation as it had effect immediately before it was revoked by such regulations.

(3) The following do not apply in relation to CRR rules to the extent that they make CRR restatement provision—

(a) section 138J, other than subsection (1)(a),

(b) section 138K, and

(c) section 144D,

but, if it makes rules making such provision, the PRA must publish a statement of which provisions of the capital requirements regulation, or of the instrument made under that regulation, are reproduced and what changes (if any) are made.

(4) Section 144D does not apply in relation to CRR rules if the PRA considers that the delay involved in complying with that section would be prejudicial to the safety and soundness of PRA-authorised persons.

(5) If the PRA proposes CRR rules that change existing CRR rules and the changes consist of or include changes which, in the PRA's opinion, are not material—

(a) the explanation described in section 144D(1) is not required in relation to the rules to the extent that they make those changes, but

(b) the draft of the rules must be accompanied by a statement of the PRA's opinion.

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(6) If the PRA makes CRR rules that change existing CRR rules and the changes consist of or include changes which, in the PRA's opinion, are not material—

(a) the summary and explanation described in section 144D(2) are not required in relation to the rules to the extent that they make those changes, but

(b) the PRA must publish a statement of its opinion.

(7) For the purposes of this section, whether a change is material is to be determined by the PRA by reference to, among other things, the matters specified in or under section 144C(1).

Modifications etc. (not altering text)

C618 S. 144E restricted in part (13.3.2023 at 8.00 a.m.) by The Amendments of the Law (Resolution of Silicon Valley Bank UK Limited) Order 2023 (S.I. 2023/319), arts. 1(2), **4(1)**

C619 S. 144E modified (temp.) (22.8.2023) by The Financial Services and Markets Act 2023 (Commencement No. 2 and Transitional Provisions) Regulations 2023 (S.I. 2023/936), **reg. 5**

F1250 144F Power to consequentially amend enactments

. . . . . .

Textual Amendments

F1250 S. 144F omitted (29.8.2023) by virtue of Financial Services and Markets Act 2023 (c. 29), **ss. 65(3)**, 86(3); S.I. 2023/779, reg. 4(qq)

Content of CRR rules

144G Disapplication or modification of CRR rules in individual cases

(1) This section applies to a CRR rule if, or to the extent that, CRR rules provide for it to apply to the rule.

(2) The PRA may, on the application of or with the consent of a person who is subject to CRR rules, give the person a permission that enables the person—

(a) not to apply the CRR rule, or

(b) to apply the CRR rule with the modifications specified in the permission.

(3) The PRA may—

(a) give permission under this section subject to conditions, and

(b) revoke or vary permission under this section.

144H Relationship with the capital requirements regulation

(1) CRR rules may make provision by reference to the capital requirements regulation, to an instrument made under the capital requirements regulation or to Directive 2013/36/EU UK law, as amended from time to time.

F1246(2) . . . . . .

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(3) In this section, "Directive 2013/36/EU UK law" means the law of the United Kingdom which was relied on immediately before **[**F1251 1 January 2022**]** to implement the capital requirements directive and its implementing measures as it has effect—

(a) on IP completion day, in the case of rules made by the PRA or the FCA under this Act, and

(b) as amended from time to time, in all other cases.

Textual Amendments

F1251 Words in s. 144H(3) substituted (1.1.2022) by The Financial Services and Markets Act 2000 (Consequential Amendments of References to Rules) Regulations 2021 (S.I. 2021/1388), regs. 1(2), **2(3)**

F1061 PART X

RULES AND GUIDANCE

CHAPTER I

RULE-MAKING POWERS

138 General rule-making power.

. . . . . .

139 Miscellaneous ancillary matters.

. . . . . .

139A General rules about remuneration

. . . . . .

139B Rules about recovery plans

. . . . . .

139C Rules about resolution plans

. . . . . .

139D Sections 139B and 139C: interpretation

. . . . . .

139E Rules about recovery and resolution plans: supplementary provision

. . . . . .

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139F Special provision in relation to resolution plans

. . . . . .

140 Restriction on managers of certain collective investment schemes.

. . . . . .

141 Insurance business rules.

. . . . . .

142 Insurance business: regulations supplementing Authority's rules.

. . . . . .

143 Endorsement of codes etc.

. . . . . .

Specific rules

144 Price stabilising rules.

. . . . . .

145 Financial promotion rules.

. . . . . .

146 Money laundering rules.

. . . . . .

147 Control of information rules.

. . . . . .

Modification or waiver

148 Modification or waiver of rules.

. . . . . .

Contravention of rules

149 Evidential provisions.

. . . . . .

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150 Actions for damages.

. . . . . .

151 Limits on effect of contravening rules.

. . . . . .

Procedural provisions

152 Notification of rules to the Treasury.

. . . . . .

153 Rule-making instruments.

. . . . . .

154 Verification of rules.

. . . . . .

155 Consultation.

. . . . . .

156 General supplementary powers.

. . . . . .

CHAPTER II

GUIDANCE

157 Guidance.

. . . . . .

158 Notification of guidance to the Treasury.

. . . . . .

158A Guidance on outsourcing by investment firms and credit institutions

. . . . . .

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CHAPTER III

COMPETITION SCRUTINY

159 Interpretation.

. . . . . .

160 Reports by OFT.

. . . . . .

161 Power of OFT to request information.

. . . . . .

162 Consideration by Competition Commission.

. . . . . .

163 Role of the Treasury.

. . . . . .

164 The Competition Act 1998.

. . . . . .

PART XI

INFORMATION GATHERING AND INVESTIGATIONS

Modifications etc. (not altering text)

C620 Pt. 11 modified (1.12.2001) by S.I. 2001/2657, **arts. 1(1)**, 18(2) (which was revoked (8.10.2001) by S.I. 2001/3083, **arts. 1(2)**, 23); S.I. 2001/3538, **art. 2(1)**
Pt. 11 modified (1.12.2001) by S.I. 2001/3083, **arts. 1(2)**, 18(2)(4); S.I. 2001/3538, **art. 2(1)**
Pt. 11 extended (with modifications) (1.12.2001) by S.I. 2001/3646, **arts. 1(1)**, 6-9

C621 Pt. 11 applied (with modifications) (1.5.2009 for certain purposes and 1.11.2009 otherwise) by The Payment Services Regulations 2009 (S.I. 2009/209), regs. 1(2), 95, **Sch. 5 para. 3** (with reg. 3) (as amended (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), Sch. 2 para. 155(6)(c) (with **Sch. 2 para. 156**); and (26.6.2017) by The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (S.I. 2017/692), reg. 1(2), **Sch. 7 para. 24(9)** (with regs. 8, 15))

C622 Pt. 11 applied (with modifications) (11.2.2010) by The Cross-Border Payments in Euro Regulations 2010 (S.I. 2010/89), reg. 19, **Sch. para. 2**

C623 Pt. 11 applied (with modifications) (15.1.2013) by The Payments in Euro (Credit Transfers and Direct Debits) Regulations 2012 (S.I. 2012/3122), reg. 1, **Sch. para. 2** (as amended (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 248(6)(b)**)

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C624 Pt. 11 applied (with modifications) (E.W.) (9.7.2013) by The Legal Aid, Sentencing and Punishment of Offenders Act 2012 (Referral Fees) Regulations 2013 (S.I. 2013/1635), regs. 1, **13**

C625 Pt. 11 applied (with modifications) (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services Act 2012 (Consumer Credit) Order 2013 (S.I. 2013/1882), arts. 1(1), **3(5)**

C626 Pt. 11 modified (temp. to 1.4.2014) (31.12.2013) by The Financial Services and Markets Act 2000 (Consumer Credit) (Transitional Provisions) Order 2013 (S.I. 2013/3128), arts. 1(1), **4(1)**(2)

C627 Pt. 11 applied (with modifications) (12.12.2014) by The Immigration Act 2014 (Bank Accounts) Regulations 2014 (S.I. 2014/3085), regs. 1, **14**

C628 Pt. 11 applied (with modifications) (1.1.2016) by The Small and Medium Sized Business (Finance Platforms) Regulations 2015 (S.I. 2015/1946), **regs. 1(2)**, 23

C629 Pt. 11 applied (with modifications) (1.1.2016) by The Small and Medium Sized Business (Credit Information) Regulations 2015 (S.I. 2015/1945), regs. 1(2), **26**

C630 Pt. 11 applied (with modifications) (18.9.2016) by The Payment Accounts Regulations 2015 (S.I. 2015/2038), reg. 1(2)(b), **Sch. 7 para. 2**

C631 Pt. 11 applied (with modifications) (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 1 para. 19(1)** (with reg. 7)

C632 Pt. 11 applied (with modifications) (3.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Data Reporting Services Regulations 2017 (S.I. 2017/699), regs. 1(2)(a)(b), **33**

C633 Pt. 11 applied (with modifications) (1.1.2018) by The Packaged Retail and Insurance-based Investment Products Regulations 2017 (S.I. 2017/1127), reg. 1, **Sch. 1 para. 2**

C634 Pt. 11 applied (with modifications) (27.2.2018) by The Financial Services and Markets Act 2000 (Benchmarks) Regulations 2018 (S.I. 2018/135), regs. 1(2), **19**

C635 Pt. 11 modified (10.5.2018) by Financial Guidance and Claims Act 2018 (c. 10), s. 37(1)(f), **Sch. 5 para. 1**

C636 Pt. 11 modified (E.W.S.) (29.11.2018 for specified purposes, 1.4.2019 in so far as not already in force) by The Financial Services and Markets Act 2000 (Claims Management Activity) Order 2018 (S.I. 2018/1253), arts. 1(2)(3), **82(13)**

C637 Pt. 11 applied (with modifications) (1.1.2019) by The Securitisation Regulations 2018 (S.I. 2018/1288), reg. 1, **Sch. 1 para. 3** (with Sch. 1 paras. 13, 14)

C638 Pt. 11 applied (with modifications) (10.6.2019) by The Proxy Advisors (Shareholders Rights) Regulations 2019 (S.I. 2019/926), regs. 1, **20**, 22 (as amended by S.I. 2020/628, regs. 1(4), **15(5)**)

C639 Pt. 11 applied in part (with modifications) (31.12.2020) by The Over the Counter Derivatives, Central Counterparties and Trade Repositories (Amendment, etc., and Transitional Provision) (EU Exit) Regulations 2019 (S.I. 2019/335), regs. 1(1), **75** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

C640 Pt. 11 applied in part (with modifications) (31.12.2020) by The Transparency of Securities Financing Transactions and of Reuse (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/542), regs. 1, **36** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

C641 Pt. 11 applied (with modifications) (30.4.2011) by The Electronic Money Regulations 2011 (S.I. 2011/99), reg. 62, **Sch. 3 para. 3** (with reg. 3) (as amended (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 196(5)(c)**; and (14.2.2014 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2014 (S.I. 2014/366), arts. 1(4), **18(4)(b)**; and (10.1.2020) by The Money Laundering and Terrorist Financing (Amendment) Regulations 2019 (S.I. 2019/1511), regs. 1(2), **19** and (31.12.2020) by S.I. 2018/1201, reg. 1(3), Sch. 2 para. 21(3)(a)-(c) (with reg. 4, **Sch. 3 Pt. 1**) (with further transitional provisions in Sch. 3 Pt. 1A as inserted by S.I. 2019/405, regs. 1, **10** and as amended by S.I. 2019/1010, regs. 1(3), **7**; S.I. 2019/1212, regs. 1(2), **7**; and S.I. 2020/56, regs. 1, **8**) and (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), s. 86(3), **Sch. 2 para. 62(b)** (with s. 2(3)); S.I. 2023/779, reg. 4(zz)(iv))

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C642 Pt. 11 applied (with modifications) (31.12.2020) by The Credit Rating Agencies (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/266), regs. 1(3), **18(1)** (as amended by S.I. 2020/1384, regs. 1(4), 50(3)) (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

C643 Pt. 11 applied (with modifications) (13.1.2018) by The Payment Services Regulations 2017 (S.I. 2017/752), reg. 1(6), **Sch. 6 para. 4** (with reg. 3) (as amended by S.I. 2018/1201, reg. 1(3), Sch. 2 para. 72(3) (with reg. 4, **Sch. 3 Pt. 2**) (as amended by S.I. 2020/56, regs. 1, **8**); and (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), s. 86(3), **Sch. 2 para. 72(b)** (with s. 2(3)); S.I. 2023/779, reg. 4(zz)(iv))

C644 Pt. 11 applied (with modifications) (30.1.2024 for specified purposes) by The Securitisation Regulations 2024 (S.I. 2024/102), reg. 2(1)(e)(2), **Sch. 1 para. 10** (with reg. 52(3), Sch. 3)

C645 Pt. 11 applied (with modifications) (30.1.2024 for specified purposes) by The Public Offers and Admissions to Trading Regulations 2024 (S.I. 2024/105), regs. 2(2)(3), **44(4)** (with regs. 48-50)

C646 Pt. 11 applied (with modifications) (5.4.2024) by The Data Reporting Services Regulations 2024 (S.I. 2024/107), regs. 1(2), **18**; S.I. 2023/1382, **reg. 4(c)**

C647 Pt. 11 applied (with modifications) (30.1.2024 for specified purposes, 1.11.2024 in so far as not already in force) by The Securitisation Regulations 2024 (S.I. 2024/102), reg. 2(1)(e)(2), **Sch. 1 para. 10** (with reg. 52(3), Sch. 3); as amended by S.I. 2024/705, regs. 1(2), **2(2)**

C648 Pt. 11 modified (15.7.2025 for specified purposes) by The Financial Services and Markets Act 2000 (Regulated Activities etc.) (Amendment) Order 2025 (S.I. 2025/859), arts. 1(2)(3), **10(6)**

C649 Pt. 11 applied (with modifications) (3.11.2025) by S.I. 2024/105, **reg. 44(5)** (as substituted by The Public Offers and Admissions to Trading (Amendment and Consequential and Transitional Provisions) Regulations 2025 (S.I. 2025/1076), regs. 1(2), **2**)

C650 Pt. 11 modified (1.1.2026) by The Financial Services and Markets Act 2023 (Mutual Recognition Agreement) (Switzerland) Regulations 2025 (S.I. 2025/1145), regs. 1(2), **13(5)**, 14(8)

C651 Pt. 11 applied (with modifications) (30.1.2024 for specified purposes, 19.1.2026 in so far as not already in force) by The Public Offers and Admissions to Trading Regulations 2024 (S.I. 2024/105), regs. 2(2)(3), **44(4)** (with regs. 48-50); S.I. 2025/1078, reg. 5(b) (with reg. 12)

Powers to gather information

165 [F1254Regulators] power to require information [F1255: authorised persons etc].

(1) **[**F1256Either regulator**]** may, by notice in writing given to an authorised person, require him—

(a) to provide specified information or information of a specified description; or

(b) to produce specified documents or documents of a specified description.

(2) The information or documents must be provided or produced—

(a) before the end of such reasonable period as may be specified; and

(b) at such place as may be specified.

(3) An officer who has written authorisation from the **[**F1257regulator**]** to do so may require an authorised person without delay—

(a) to provide the officer with specified information or information of a specified description; or

(b) to produce to him specified documents or documents of a specified description.

(4) This section applies only to

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[F1258(a)**]** information and documents reasonably required in connection with the exercise by **[**F1259either regulator**]** of functions conferred on it by or under this Act **[**F1260, and

(b) in relation to the exercise by the PRA of the powers conferred by subsections (1) and (3), information and documents reasonably required by the Bank of England in connection with the exercise by the Bank of its functions in pursuance of its financial stability objective.**]**

(5) **[**F1261The regulator in question**]** may require any information provided under this section to be provided in such form as it may reasonably require.

(6) **[**F1262The regulator in question**]** may require—

(a) any information provided, whether in a document or otherwise, to be verified in such manner, or

(b) any document produced to be authenticated in such manner,

as it may reasonably require.

(7) The powers conferred by subsections (1) and (3) may also be **[**F1263exercised—

(a) by either regulator, to impose requirements on a person who is connected with an authorised person;

[F1264(aa) by the FCA, to impose requirements on a person who is or has been subject to a relevant Part 5A requirement;**]**

(b) by the FCA, to impose requirements on an operator, trustee or depositary of a scheme recognised under section F1265... **[**F1266271A or**]** 272 who is not an authorised person;

(c) by the FCA, to impose requirements on a recognised investment exchange;

(d) by the FCA, to impose requirements on a person who is connected with a recognised investment exchange.**]**

[F1267(da) by the FCA, to impose requirements on a person who provides, or has provided, a service to an FCA investment firm or to a relevant parent undertaking of such a firm;**]**

[F1268(e) by either regulator, to impose requirements on a person who provides any service to an insurance undertaking **[**F1269or reinsurance undertaking**]**.**]**

[F1270(7A) For the purposes of the exercise by virtue of subsection (7)(aa) of the powers conferred by subsections (1) and (3) in relation to a person who is not an authorised person, the reference in subsection (4)(a) to functions conferred by or under this Act is to be read as referring only to functions so conferred which relate to the carrying on of a designated activity.**]**

(8) "Authorised person" includes a person who was at any time an authorised person but who has ceased to be an authorised person.

F1271(8A) . . . . . .

(9) "Officer" means an officer of **[**F1272the regulator exercising the power**]** and includes a member of **[**F1273that regulator's**]** staff or an agent of **[**F1274that regulator**]**.

(10) "Specified" means—

(a) in subsections (1) and (2), specified in the notice; and

(b) in subsection (3), specified in the authorisation.

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(11) For the purposes of this section, a person is connected with **[**F1275another person**]** ("A") if he is or has at any relevant time been—

(a) a member of A's group;

(b) a controller of A;

(c) any other member of a partnership of which A is a member; F1276...

(d) in relation to A, a person mentioned in Part I of Schedule 15 **[**F1277(reading references in that Part to the authorised person as references to A)**][**F1278; or

(e) involved in the administration of any trust arrangement relating to a funeral plan contract entered into or carried out by A.**]**

[F1279(12) In subsection (7)(b), the reference to a scheme that is recognised includes a scheme a part of which is recognised.**]**

[F1280(13) In this section, "funeral plan contract" has the same meaning as in article 59(2) of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001.**]**

Textual Amendments

F1254 Word in s. 165 heading substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 12 para. 1(9)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1255 S. 165: words in heading inserted (8.6.2010) by Financial Services Act (c. 28), ss. 24(1), 26(2)(d)(e), {Sch. 2 para. 15}

F1256 Words in s. 165(1) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 12 para. 1(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1257 Word in s. 165(3) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 12 para. 1(3)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1258 S. 165(4)(a): words in s. 165(4) renumbered as s. 165(4)(a) (1.3.2017) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 36(2)(a)** (with Sch. 3); S.I. 2017/43, reg. 2(g)

F1259 Words in s. 165(4) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 12 para. 1(4)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1260 S. 165(4)(b) and word inserted (1.3.2017) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 36(2)(b)** (with Sch. 3); S.I. 2017/43, reg. 2(g)

F1261 Words in s. 165(5) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 12 para. 1(5)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1262 Words in s. 165(6) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 12 para. 1(5)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1263 Words in s. 165(7) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 12 para. 1(6)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1264 S. 165(7)(aa) inserted (14.1.2025) by The Financial Services and Markets Act 2000 (Designated Activities) (Supervision and Enforcement) Regulations 2025 (S.I. 2025/22), reg. 1(2), **Sch. para. 5(2)**

F1265 Words in s. 165(7)(b) omitted (22.7.2013) by virtue of The Alternative Investment Fund Managers Regulations 2013 (S.I. 2013/1773), reg. 1, **Sch. 1 para. 9**

F1266 Words in s. 165(7)(b) inserted (23.2.2022) by Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 9 para. 4(2)**; S.I. 2022/163, reg. 2(a)

F1267 S. 165(7)(da) inserted (1.7.2021) by Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 2 para. 5** (with Sch. 2 Pt. 3); S.I. 2021/671, reg. 4(b)

F1268 S. 165(7)(e) inserted (1.1.2016) by The Solvency 2 Regulations 2015 (S.I. 2015/575), reg. 1(2), **Sch. 1 para. 7**

F1269 Words in s. 165(7)(e) substituted (31.12.2024) by The Insurance and Reinsurance Undertakings (Prudential Requirements) (Amendment and Miscellaneous Provisions) Regulations 2024 (S.I. 2024/1083), regs. 1(2)(b), **5**

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F1270 S. 165(7A) inserted (14.1.2025) by The Financial Services and Markets Act 2000 (Designated Activities) (Supervision and Enforcement) Regulations 2025 (S.I. 2025/22), reg. 1(2), **Sch. para. 5(3)**

F1271 S. 165(8A) omitted (1.1.2024 at 1.00 a.m.) by virtue of Financial Services and Markets Act 2023 (c. 29), **ss. 9(3)**, 86(3); S.I. 2023/1382, reg. 10(a)

F1272 Words in s. 165(9) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 12 para. 1(7)(a)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1273 Words in s. 165(9) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 12 para. 1(7)(b)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1274 Words in s. 165(9) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 12 para. 1(7)(c)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1275 Words in s. 165(11) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 12 para. 1(8)(a)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1276 Word in s. 165(11)(c) omitted (16.5.2022 for specified purposes, 29.7.2022 in so far as not already in force) by virtue of The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2022 (S.I. 2022/466), arts. 1(3), **6(2)(a)**

F1277 Words in s. 165(11)(d) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 12 para. 1(8)(b)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1278 S. 165(11)(e) and word inserted (16.5.2022 for specified purposes, 29.7.2022 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2022 (S.I. 2022/466), arts. 1(3), **6(2)(b)**

F1279 S. 165(12) inserted (23.2.2022) by Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 9 para. 4(3)**; S.I. 2022/163, reg. 2(a)

F1280 S. 165(13) inserted (16.5.2022 for specified purposes, 29.7.2022 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2022 (S.I. 2022/466), arts. 1(3), **6(2)(c)**

Modifications etc. (not altering text)

C652 S. 165 amended (1.12.2001) by S.I. 2001/2657, **arts. 1(1)**, 15(1) (which was revoked (8.10.2001) by S.I. 2001/3083, **arts. 1(2)**, 23); S.I. 2001/3538, **art. 2(1)**
S. 165 amended (*temp.* from 11.8.2001 to 1.12.2001) by S.I. 2001/2659, **arts. 1(2)**, 2; S.I. 2001/3538, **art. 2(1)**
S. 165 amended (1.12.2001) by S.I. 2001/3083, **arts. 1(2)**, 15(1); S.I. 2001/3538, **art. 2(1)**

C653 S. 165 modified (temp.) (8.4.2002) by The Financial Services and Markets Act 2000 (Permission and Applications) (Credit Unions etc.) Order 2002 (S.I. 2002/704), **art. 8(1)(3)**

C654 S. 165 amended (18.7.2002 for certain purposes and 21.8.2002 otherwise) by The Electronic Commerce Directive (Financial Services and Markets) Regulations 2002 (S.I. 2002/1775), regs. 1, **12(3)**

C655 S. 165 applied (with modifications) (6.3.2008) by The Regulated Covered Bonds Regulations 2008 (S.I. 2008/346), reg. 46, **Sch. para. 3**

C656 S. 165 applied (with modifications) (31.12.2011) by The Financial Services and Markets Act 2000 (Permissions, Transitional Provisions and Consequential Amendments) (Northern Ireland Credit Unions) Order 2011 (S.I. 2011/2832), **art. 9**

C657 S. 165 applied (22.7.2013) by The Alternative Investment Fund Managers Regulations 2013 (S.I. 2013/1773), regs. 1, **71(1)(a)**

C658 S. 165 modified in part (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No.2) Order 2013 (S.I. 2013/1881), arts. 1(2)(6), **50(1)**

C659 S. 165 applied (with modifications) (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No.2) Order 2013 (S.I. 2013/1881), arts. 1(2)(6), **12(9)**

C660 S. 165 applied (20.4.2015 for specified purposes, 21.12.2015 for specified purposes, 21.3.2016 in so far as not already in force) by The Mortgage Credit Directive Order 2015 (S.I. 2015/910), arts. 1(5), **23(2)(a)** (with Pt. 4)

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C661 S. 165 modified (29.11.2018 for specified purposes, 1.4.2019 in so far as not already in force) by The Financial Services and Markets Act 2000 (Claims Management Activity) Order 2018 (S.I. 2018/1253), arts. 1(2)(3), **55(4)**

C662 S. 165 modified (29.11.2018 for specified purposes, 1.4.2019 in so far as not already in force) by The Financial Services and Markets Act 2000 (Claims Management Activity) Order 2018 (S.I. 2018/1253), arts. 1(2)(3), **50(3)**

C663 S. 165 applied by S.I. 2018/1149, reg. 60 (as inserted (1.3.2019) by The Financial Services Contracts (Transitional and Saving Provision) (EU Exit) Regulations 2019 (S.I. 2019/405), regs. 1(2), **3**)

C664 S. 165 applied (with modifications) by S.I. 2018/1201, Sch. 3 para. 32A(2) (as substituted (6.9.2019) by The Financial Services (Electronic Money, Payment Services and Miscellaneous Amendments) (EU Exit) Regulations 2019 (S.I. 2019/1212), regs. 1(2), **7(15)**)

C665 S. 165 applied (with modifications) by S.I. 2018/1201, Sch. 3 para. 12H(2) (as substituted (6.9.2019) by The Financial Services (Electronic Money, Payment Services and Miscellaneous Amendments) (EU Exit) Regulations 2019 (S.I. 2019/1212), regs. 1(2), **7(8)**)

C666 S. 165 applied (31.12.2020) by The Electronic Commerce and Solvency 2 (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/1361), regs. 1(2), **20** (as amended by S.I. 2019/1390, regs. 1(2), 6); 2020 c. 1, Sch. 5 para. 1(1)

C667 S. 165 applied (31.5.2021) by The Civil Liability Act 2018 (Financial Conduct Authority) (Whiplash) Regulations 2021 (S.I. 2021/594), regs. 1, **2(4)(a)**

C668 S. 165 applied (with modifications) (8.6.2023 for specified purposes, 7.10.2023 in so far as not already in force) by The Financial Services and Markets Act 2000 (Financial Promotion) (Amendment) Order 2023 (S.I. 2023/612), art. 1(2), **Sch. para. 14** (with art. 11)

C669 S. 165 applied (with modifications) (14.1.2025 for specified purposes) by The Short Selling Regulations 2025 (S.I. 2025/29), regs. 2(2)(3), 24, **Sch. 1 Pt. 1**

C670 S. 165 applied (temp.) (16.12.2025 for specified purposes and 29.6.2028 otherwise) by The Financial Services and Markets Act 2000 (Regulated Activities) (ESG Ratings) Order 2025 (S.I. 2025/1349), arts. 2, **17** (with art. 20)

C671 S. 165 applied (1.1.2026) by The Financial Services and Markets Act 2023 (Mutual Recognition Agreement) (Switzerland) Regulations 2025 (S.I. 2025/1145), regs. 1(2), **35**

C672 S. 165 applied (25.2.2026 for specified purposes) by The Financial Services and Markets Act 2000 (Cryptoassets) Regulations 2026 (S.I. 2026/102), regs. 1(2)(3), **61(a)** (with regs. 53-56)

C673 S. 165(1)(2) extended (1.12.2001) by S.I. 2001/3646, **arts. 1(1)**, 2(1)(3)(a)

C674 S. 165(1)-(6) applied (with modifications) (1.1.2014) by The Capital Requirements Regulations 2013 (S.I. 2013/3115), regs. 1(2), **14**

C675 S. 165(1)(3) modified (14.1.2025 for specified purposes) by The Short Selling Regulations 2025 (S.I. 2025/29), regs. 2(2)(3), **25(1)**

C676 S. 165(2) applied (with modifications) (11.4.2002 for certain purposes and 27.4.2002 otherwise) by The Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (S.I. 2001/544), art. 9G(6) (as inserted by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2002 (S.I. 2002/682), arts. 1(2), **4**)

C677 S. 165(5)(6) extended (1.12.2001) by S.I. 2001/3646, **arts. 1(1)**, 2(3)(b)(c)

C678 S. 165(5) applied (with modifications) (11.4.2002 for certain purposes and 27.4.2002 otherwise) by The Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (S.I. 2001/544), art. 9G(6) (as inserted by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2002 (S.I. 2002/682), arts. 1(2), **4**)

C679 S. 165(6) applied (with modifications) (11.4.2002 for certain purposes and 27.4.2002 otherwise) by The Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (S.I. 2001/544), art. 9G(6) (as inserted by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2002 (S.I. 2002/682), arts. 1(2), **4**)

C680 S. 165(9)(10) applied (with modifications) (1.1.2014) by The Capital Requirements Regulations 2013 (S.I. 2013/3115), regs. 1(2), **14**

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[F1281165A[F1282PRA's] power to require information: financial stability

(1) The [F1283PRA] may, by notice in writing given to a person to whom this section applies, require the person—

(a) to provide specified information or information of a specified description; or

(b) to produce specified documents or documents of a specified description.

(2) This section applies to—

(a) a person who has a legal or beneficial interest in any of the assets of a relevant investment fund;

(b) a person who is responsible for the management of a relevant investment fund;

(c) a person (a "service provider") who provides any service to an authorised person;

(d) a person prescribed by an order made by the Treasury or any person of a description prescribed by such an order (and see also section 165C);

(e) a person who is connected with a person to whom this section applies as a result of any of the above paragraphs.

(3) This section applies only to

[F1284(a)] information and documents that the [F1283PRA] considers are, or might be, relevant to the stability of one or more aspects of the UK financial system [F1285, and

(b) information and documents reasonably required by the Bank of England in connection with the exercise by the Bank of its functions in pursuance of its financial stability objective.]

(4) A notice may be given to a service provider, or to a person who is connected with a service provider, only if the [F1283PRA] considers that—

(a) the service or the way in which it (or any part of it) is provided, or

(b) any failure to provide the service (or any part of it),

poses, or would be likely to pose, a serious threat to the stability of the UK financial system.

(5) Information or documents required under this section must be provided or produced—

(a) before the end of such reasonable period as may be specified; and

(b) at such place as may be specified.

(6) The [F1283PRA] may require any information provided under this section to be provided in such form as it may reasonably require.

(7) The [F1283PRA] may require—

(a) any information provided, whether in a document or otherwise, to be verified in such manner as it may reasonably require; or

(b) any document produced to be authenticated in such manner as it may reasonably require.

F1286(7A) . . . . . .

(8) In this section—

"management" includes any of the activities listed in [F1287Schedule 6 to the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001];

"relevant investment fund" means an investment fund whose assets consist of or include financial instruments which—

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(a) are traded in the United Kingdom; or

(b) were issued by a body incorporated in the United Kingdom;

"service" includes facility;

"specified" means specified in the notice.

(9) For the purposes of the definition of "relevant investment fund"—

(a) arrangements may constitute an investment fund even if there is only one person participating in the arrangements; and

(b) the reference to financial instruments has the **[**F1288same meaning as in the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (see article 3(1) of that Order).**]**

(10) For the purposes of this section a person is connected with another person ("A") if the person is or has at any relevant time been—

(a) a member of A's group;

(b) a controller of A;

(c) any other member of a partnership of which A is a member; or

(d) in relation to A, a person mentioned in Part 1 of Schedule 15 (reading references in that Part to the authorised person as references to A).

Textual Amendments

F1281 S. 165A-165C inserted (8.6.2010) by Financial Services Act (c. 28), {ss. 18(2)}, 26(2)

F1282 Word in s. 165A heading substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 12 para. 2(b)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1283 Word in s. 165A substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 12 para. 2(a)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1284 S. 165(3)(a): words in s. 165A(3) renumbered as s. 165A(3)(a) (1.3.2017) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 37(2)(a)** (with Sch. 3); S.I. 2017/43, reg. 2(g)

F1285 S. 165A(3)(b) and word inserted (1.3.2017) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 37(2)(b)** (with Sch. 3); S.I. 2017/43, reg. 2(g)

F1286 S. 165A(7A) omitted (1.1.2024 at 1.00 a.m.) by virtue of Financial Services and Markets Act 2023 (c. 29), **ss. 9(4)**, 86(3); S.I. 2023/1382, reg. 10(a)

F1287 Words in s. 165A(8) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **43(2)**; 2020 c. 1, Sch. 5 para. 1(1)

F1288 Words in s. 165A(9)(b) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **43(3)**; 2020 c. 1, Sch. 5 para. 1(1)

165B Safeguards etc in relation to exercise of power under section 165A

(1) If the **[**F1289PRA**]** proposes to impose a requirement on a person under section 165A, it must give the person a notice in writing warning the person that the **[**F1289PRA**]** is proposing to impose the requirement.

(2) The notice under subsection (1) must—

(a) give the **[**F1290PRA's**]** reasons for proposing to impose the requirement; and

(b) specify a reasonable period within which the person may make representations to the **[**F1289PRA**]**.

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

(3) The **[**[F1289]PRA**]** must then decide, within a reasonable period, whether to impose the requirement.

(4) Subsections (1) to (3) do not apply in any case where the **[**[F1289]PRA**]** is satisfied that it is necessary for the information or documents to be provided or produced without delay.

(5) If the **[**[F1289]PRA**]** imposes a requirement on a person under section 165A, the notice under that section must give the **[**[F1290]PRA's**]** reasons for imposing the requirement.

(6) The **[**[F1289]PRA**]** must prepare a statement of its policy with respect to the exercise of the power conferred by section 165A.

(7) The statement requires the approval of the Treasury.

(8) If the Treasury approve the statement, the **[**[F1289]PRA**]** must publish it.

(9) The power conferred by section 165A may not be exercised before the statement has been published.

Textual Amendments

F1281 S. 165A-165C inserted (8.6.2010) by Financial Services Act (c. 28), {ss. 18(2)}, 26(2)

F1289 Word in s. 165B substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 12 para. 3(a)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1290 Word in s. 165B substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 12 para. 3(b)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

165C Orders under section 165A(2)(d)

[[F1291](1) The Treasury may make an order under section 165A(2)(d) only if either or both of the following conditions is met in relation to the provision made by the order.

(1A) Condition A is that the Treasury consider that—

(a) the activities carried on by the prescribed person or persons of the prescribed description, or the way in which those activities (or any part of them) are carried on, or

(b) any failure to carry on those activities (or any part of them),

pose, or would be likely to pose, a serious threat to the stability of the UK financial system.

(1B) Condition B is that the provision implements all or part of a recommendation made by the Financial Policy Committee of the Bank of England under section 9P of the Bank of England Act 1998.**]**

(2) Subject as follows, an order under section 165A(2)(d) may not be made unless a draft of the order has been laid before, and approved by a resolution of, each House of Parliament.

(3) Subsection (2) does not apply in any case where the Treasury are satisfied that it is necessary to make an order under section 165A(2)(d) without laying a draft for approval.

(4) In that case, the order—

(a) must be laid before Parliament after being made; and

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(b) ceases to have effect at the end of the relevant period unless before the end of that period it is approved by a resolution of each House of Parliament.

(5) If an order ceases to have effect as a result of subsection (4)(b) that does not affect—

(a) anything done under it; or

(b) the power to make a new one.

(6) "Relevant period" means a period of 28 days beginning with the day on which the order is made.

(7) In calculating the relevant period no account is to be taken of any time during which Parliament is dissolved or prorogued or during which both Houses are adjourned for more than four days.

(8) If a statutory instrument containing an order under section 165A(2)(d) would, apart from this subsection, be treated as a hybrid instrument for the purposes of the Standing Orders of either House of Parliament, it is to proceed in that House as if it were not a hybrid instrument.**]**

Textual Amendments

F1281 S. 165A-165C inserted (8.6.2010) by Financial Services Act (c. 28), {ss. 18(2)}, 26(2)

F1291 S. 165C(1)-(1B) substituted for s. 165C(1) (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 12 para. 4** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

[F1292 166 Reports by skilled persons.

(1) This section applies where either regulator has required or could require a person to whom subsection (2) applies ("the person concerned") to provide information or produce documents with respect to any matter ("the matter concerned").

(2) This subsection applies to—

(a) an authorised person ("A"),

(b) any other member of A's group,

(c) a partnership of which A is a member, or

(d) a person who has at any relevant time been a person falling within paragraph (a), (b) or (c),

who is, or was at the relevant time, carrying on a business.

(3) The regulator mentioned in subsection (1) may either—

(a) by notice in writing given to the person concerned, require the person concerned to provide the regulator with a report on the matter concerned, or

(b) itself appoint a person to provide the regulator with a report on the matter concerned.

(4) When acting under subsection (3)(a), the regulator may require the report to be in such form as may be specified in the notice.

(5) The regulator must give notice of an appointment under subsection (3)(b) to the person concerned.

(6) The person appointed to make a report—

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(a) must be a person appearing to the regulator to have the skills necessary to make a report on the matter concerned, and

(b) where the appointment is to be made by the person concerned, must be a person nominated or approved by the regulator.

(7) It is the duty of—

(a) the person concerned, and

(b) any person who is providing (or who has at any time provided) services to the person concerned in relation to the matter concerned,

to give the person appointed to prepare a report all such assistance as the appointed person may reasonably require.

(8) The obligation imposed by subsection (7) is enforceable, on the application of the regulator in question, by an injunction or, in Scotland, by an order for specific performance under section 45 of the Court of Session Act 1988.

(9) A regulator may make rules providing for expenses incurred by it in relation to an appointment under subsection (3)(b) to be payable as a fee by the person concerned.

(10) The powers conferred by this section may also be exercised by the FCA in relation to a person to whom subsection **[**F1293(10A),**]** (11) **[**F1294, (12) or (13)**]** applies, (and references to the person concerned are to be read accordingly).

[F1295(10A) This subsection applies to a person who is or has been subject to a relevant Part 5A requirement.**]**

(11) This subsection applies to—

(a) a recognised investment exchange ("A"),

(b) any other member of A's group,

(c) a partnership of which A is a member, or

(d) a person who has at any time been a person falling within paragraph (a), (b) or (c),

who is, or was at the relevant time, carrying on a business.

[F1296(12) This subsection applies to a person who provides, or has provided, a service to an FCA investment firm or to a relevant parent undertaking of such a firm.**]**

[F1297(13) This subsection applies to a person who is or has at any relevant time been involved in the administration of any trust arrangement relating to a funeral plan contract entered into or carried out by an authorised person.

(14) In this section, "funeral plan contract" has the same meaning as in article 59(2) of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001.**]]**

Textual Amendments

F1292 S. 166 substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 12 para. 5** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F1293 Word in s. 166(10) inserted (14.1.2025) by The Financial Services and Markets Act 2000 (Designated Activities) (Supervision and Enforcement) Regulations 2025 (S.I. 2025/22), reg. 1(2), **Sch. para. 6(2)**

F1294 Words in s. 166(10) substituted (16.5.2022 for specified purposes, 29.7.2022 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2022 (S.I. 2022/466), arts. 1(3), **6(3)(a)**

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F1295 S. 166(10A) inserted (14.1.2025) by The Financial Services and Markets Act 2000 (Designated Activities) (Supervision and Enforcement) Regulations 2025 (S.I. 2025/22), reg. 1(2), **Sch. para. 6(3)**

F1296 S. 166(12) inserted (1.7.2021) by Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 2 para. 6(3)** (with Sch. 2 Pt. 3); S.I. 2021/671, reg. 4(b)

F1297 S. 166(13)(14) inserted (16.5.2022 for specified purposes, 29.7.2022 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2022 (S.I. 2022/466), arts. 1(3), **6(3)(b)**

Modifications etc. (not altering text)

C681 S. 166 applied (22.7.2013) by The Alternative Investment Fund Managers Regulations 2013 (S.I. 2013/1773), regs. 1, **71(1)(b)**

C682 S. 166 applied (20.4.2015 for specified purposes, 21.12.2015 for specified purposes, 21.3.2016 in so far as not already in force) by The Mortgage Credit Directive Order 2015 (S.I. 2015/910), arts. 1(5), **23(2)(b)** (with Pt. 4)

C683 S. 166 applied (with modifications) (13.7.2016) by The Financial Services and Markets Act 2000 (Transparency of Securities Financing Transactions and of Reuse) Regulations 2016 (S.I. 2016/715), regs. 1(2), **6**

C684 S. 166 modified (29.11.2018 for specified purposes, 1.4.2019 in so far as not already in force) by The Financial Services and Markets Act 2000 (Claims Management Activity) Order 2018 (S.I. 2018/1253), arts. 1(2)(3), **55(4)**

C685 S. 166 applied by S.I. 2018/1149, **reg. 60** (as inserted (1.3.2019) by The Financial Services Contracts (Transitional and Saving Provision) (EU Exit) Regulations 2019 (S.I. 2019/405), regs. 1(2), **3**)

C686 S. 166 applied (with modifications) by S.I. 2018/1201, **Sch. 3 para. 32A(2)** (as substituted (6.9.2019) by The Financial Services (Electronic Money, Payment Services and Miscellaneous Amendments) (EU Exit) Regulations 2019 (S.I. 2019/1212), regs. 1(2), **7(15)**)

C687 S. 166 applied (with modifications) by S.I. 2018/1201, **Sch. 3 para. 12H(2)** (as substituted (6.9.2019) by The Financial Services (Electronic Money, Payment Services and Miscellaneous Amendments) (EU Exit) Regulations 2019 (S.I. 2019/1212), regs. 1(2), **7(8)**)

C688 S. 166 applied (31.12.2020) by The Electronic Commerce and Solvency 2 (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/1361), regs. 1(2), **20** (as amended by S.I. 2019/1390, regs. 1(2), 6); 2020 c. 1, Sch. 5 para. 1(1)

C689 S. 166 applied (with modifications) (31.5.2021) by The Civil Liability Act 2018 (Financial Conduct Authority) (Whiplash) Regulations 2021 (S.I. 2021/594), regs. 1, **2(4)(b)**

C690 S. 166 applied (with modifications) (8.6.2023 for specified purposes, 7.10.2023 in so far as not already in force) by The Financial Services and Markets Act 2000 (Financial Promotion) (Amendment) Order 2023 (S.I. 2023/612), art. 1(2), **Sch. para. 15** (with art. 11)

C691 S. 166 applied (with modifications) (14.1.2025 for specified purposes) by The Short Selling Regulations 2025 (S.I. 2025/29), regs. 2(2)(3), 24, **Sch. 1 Pt. 1**

C692 S. 166 applied (temp.) (16.12.2025 for specified purposes and 29.6.2028 otherwise) by The Financial Services and Markets Act 2000 (Regulated Activities) (ESG Ratings) Order 2025 (S.I. 2025/1349), arts. 2, **17** (with art. 20)

C693 S. 166 applied (1.1.2026) by The Financial Services and Markets Act 2023 (Mutual Recognition Agreement) (Switzerland) Regulations 2025 (S.I. 2025/1145), regs. 1(2), **35**

C694 S. 166 applied (25.2.2026 for specified purposes) by The Financial Services and Markets Act 2000 (Cryptoassets) Regulations 2026 (S.I. 2026/102), regs. 1(2)(3), **61(b)** (with regs. 53-56)

C695 S. 166(1)-(8) applied (with modifications) (1.1.2014) by The Capital Requirements Regulations 2013 (S.I. 2013/3115), regs. 1(2), **14**

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[F1298 166A Appointment of skilled person to collect and update information

(1) This section applies if either regulator considers that an authorised person has contravened a requirement in rules made by that regulator to collect, and keep up to date, information of a description specified in the rules.

(2) The regulator may either—

(a) require the authorised person to appoint a skilled person to collect or update the information, or

(b) itself appoint a skilled person to do so.

(3) References in this section to a skilled person are to a person—

(a) appearing to the regulator to have the skills necessary to collect or update the information in question, and

(b) where the appointment is to be made by the authorised person, nominated or approved by the regulator.

(4) The regulator must give notice of an appointment under subsection (2)(b) to the authorised person.

(5) The skilled person may require any person to provide all such assistance as the skilled person may reasonably require to collect or update the information in question.

(6) A requirement imposed under subsection (5) is enforceable, on the application of the regulator in question, by an injunction or, in Scotland, by an order for specific performance under section 45 of the Court of Session Act 1988.

(7) A contractual or other requirement imposed on a person ("P") to keep any information in confidence does not apply if—

(a) the information is or may be relevant to anything required to be done as a result of this section,

(b) an authorised person or a skilled person requests or requires P to provide the information for the purpose of securing that those things are done, and

(c) the regulator in question has approved the making of the request or the imposition of the requirement before it is made or imposed.

(8) An authorised person may provide information (whether received under subsection (7) or otherwise) that would otherwise be subject to a contractual or other requirement to keep it in confidence if it is provided for the purposes of anything required to be done as a result of this section.

(9) A regulator may make rules providing for expenses incurred by it in relation to an appointment under subsection (2)(b) to be payable as a fee by the authorised person.

F1299 **[** (9A) The powers conferred by this section may also be exercised by the FCA in relation to a recognised investment exchange (and references to an authorised person are to be read accordingly).**]**

F1300 **[** (9B) The powers conferred by this section may also be exercised by the FCA in relation to a person who is or has been subject to a relevant Part 5A requirement (and references to an authorised person are to be read accordingly).**]**

(10) In this section "authorised person", in relation to the PRA, means PRA-authorised person.**]**

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Textual Amendments

F1298 S. 166A inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 12 para. 6** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F1299 S. 166A(9A) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 11(3)**, 86(3); S.I. 2023/779, reg. 4(g)

F1300 S. 166A(9B) inserted (14.1.2025) by The Financial Services and Markets Act 2000 (Designated Activities) (Supervision and Enforcement) Regulations 2025 (S.I. 2025/22), reg. 1(2), **Sch. para. 7**

Modifications etc. (not altering text)

C696 S. 166A applied (with modifications) by S.I. 2008/346, Sch. para. 4A (as inserted (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 134(g)(ii)**)

Appointment of investigators

167 Appointment of persons to carry out general investigations.

(1) If it appears to **[**F1301an investigating authority**]** that there is good reason for doing so, the investigating authority may appoint one or more competent persons to conduct an investigation on its behalf into—

(a) the nature, conduct or state of the business of **[**F1302a person to whom subsection (1A) applies or**]** an appointed representative;

(b) a particular aspect of that business; or

(c) the ownership or control of **[**F1303a person to whom subsection (1A) applies**]**.

[F1304(1A) This subsection applies to the following persons—

(a) a recognised investment exchange;

(b) an authorised person;

(c) a relevant parent undertaking of an FCA investment firm;

(d) a person who provides a service to an FCA investment firm or to a relevant parent undertaking of such a firm.

[F1305(e) a person on whom a relevant Part 5A requirement is imposed.**]]**

(2) If a person appointed under subsection (1) thinks it necessary for the purposes of his investigation, he may also investigate the business of a person who is or has at any relevant time been—

(a) a member of the group of which the person under investigation ("A") is part;

F1306...

(b) a partnership of which A is a member **[**F1307; or**]**

[F1308(c) where A is an insurance undertaking **[**F1309or reinsurance undertaking**]**, a person who provides services to A.**]**

(3) If a person appointed under subsection (1) decides to investigate the business of any person under subsection (2) he must give that person written notice of his decision.

F1310(3A) . . . . . .

Status: *This version of this Act contains provisions that are prospective.*
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[F1311(4A) The power conferred by this section may be exercised in relation to a person who has at any time been an authorised person or a person described in subsection (1A)(c) **[**F1312, (d) or (e)**]** but only in relation to—

(a) business carried on at any time when the person was an authorised person or a person described in subsection (1A)(c) **[**F1312, (d) or (e)**]**, or

(b) the ownership or control of the person at such a time.

(4B) The power conferred by this section may be exercised in relation to a person who has at any time been an appointed representative but only in relation to business carried on at any time when the person was an appointed representative.**]**

(5) "Business" includes any part of a business even if it does not consist of carrying on regulated activities.

[F1313(5A) "Investigating authority" means—

(a) in relation to a recognised investment exchange, the Secretary of State or the FCA;

(b) in relation to an authorised person or former authorised person, the FCA or the PRA;

(c) in relation to an appointed representative or former appointed representative, the FCA or the PRA.

[F1314(d) in relation to a person who is, or has at any time been, a person described in subsection (1A)(c) **[**F1315, (d) or (e)**]** who is not an authorised person, the FCA.**]]**

[F1316(6) References in subsection (1) to a recognised investment exchange do not include references to an overseas investment exchange (as defined by section 313(1)).**]**

Textual Amendments

F1301 Words in s. 167(1) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 12 para. 7(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1302 Words in s. 167(1)(a) substituted (1.7.2021) by Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 2 para. 7(2)(a)** (with Sch. 2 Pt. 3); S.I. 2021/671, reg. 4(b)

F1303 Words in s. 167(1)(c) substituted (1.7.2021) by Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 2 para. 7(2)(b)** (with Sch. 2 Pt. 3); S.I. 2021/671, reg. 4(b)

F1304 S. 167(1A) inserted (1.7.2021) by Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 2 para. 7(3)** (with Sch. 2 Pt. 3); S.I. 2021/671, reg. 4(b)

F1305 S. 167(1A)(e) inserted (14.1.2025) by The Financial Services and Markets Act 2000 (Designated Activities) (Supervision and Enforcement) Regulations 2025 (S.I. 2025/22), reg. 1(2), **Sch. para. 8(2)**

F1306 Word in s. 167(2)(a) omitted (1.1.2016) by virtue of The Solvency 2 Regulations 2015 (S.I. 2015/575), reg. 1(2), **Sch. 1 para. 8(2)(a)**

F1307 Word in s. 167(2)(b) inserted (1.1.2016) by The Solvency 2 Regulations 2015 (S.I. 2015/575), reg. 1(2), **Sch. 1 para. 8(2)(b)**

F1308 S. 167(2)(c) inserted (1.1.2016) by The Solvency 2 Regulations 2015 (S.I. 2015/575), reg. 1(2), **Sch. 1 para. 8(2)(c)**

F1309 Words in s. 167(2)(c) substituted (31.12.2024) by The Insurance and Reinsurance Undertakings (Prudential Requirements) (Amendment and Miscellaneous Provisions) Regulations 2024 (S.I. 2024/1083), regs. 1(2)(b), **6**

F1310 S. 167(3A) omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **44**; 2020 c. 1, Sch. 5 para. 1(1)

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F1311 S. 167(4A)(4B) substituted for s. 167(4) (1.7.2021) by Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 2 para. 7(4)** (with Sch. 2 Pt. 3); S.I. 2021/671, reg. 4(b)

F1312 Words in s. 167(4A) substituted (14.1.2025) by The Financial Services and Markets Act 2000 (Designated Activities) (Supervision and Enforcement) Regulations 2025 (S.I. 2025/22), reg. 1(2), **Sch. para. 8(3)**

F1313 S. 167(5A) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 12 para. 7(3)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1314 S. 167(5A)(d) inserted (1.7.2021) by Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 2 para. 7(5)** (with Sch. 2 Pt. 3); S.I. 2021/671, reg. 4(b)

F1315 Words in s. 167(5A)(d) substituted (14.1.2025) by The Financial Services and Markets Act 2000 (Designated Activities) (Supervision and Enforcement) Regulations 2025 (S.I. 2025/22), reg. 1(2), **Sch. para. 8(4)**

F1316 S. 167(6) inserted (1.4.2007 for certain purposes and 1.11.2007 otherwise) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2007 (S.I. 2007/126), regs. 1(2), 3(5), **Sch. 5 para. 7(b)**

Modifications etc. (not altering text)

C697 S. 167 modified (1.12.2001) by S.I. 2001/2657, **arts. 1(1)**, 17 (which was revoked (8.10.2001) by S.I. 2001/3083, **arts. 1(2)**, 23); S.I. 2001/3538, **art. 2(1)**
S. 167 modified (1.12.2001) by S.I. 2001/3083, **arts. 1(2)**, 17; S.I. 2001/3538, **art. 2(1)**

C698 S. 167 amended (18.7.2002 for certain purposes and 21.8.2002 otherwise) by The Electronic Commerce Directive (Financial Services and Markets) Regulations 2002 (S.I. 2002/1775), regs. 1, **12(3)**

C699 S. 167 applied (with modifications) (31.12.2011) by The Financial Services and Markets Act 2000 (Permissions, Transitional Provisions and Consequential Amendments) (Northern Ireland Credit Unions) Order 2011 (S.I. 2011/2832), **art. 9**

C700 S. 167 applied (22.7.2013) by The Alternative Investment Fund Managers Regulations 2013 (S.I. 2013/1773), regs. 1, **71(1)(c)**

C701 S. 167 applied (with modifications) (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No. 2) Order 2013 (S.I. 2013/1881), arts. 1(2)(6), **12(9)**

C702 S. 167 applied (20.4.2015 for specified purposes, 21.12.2015 for specified purposes, 21.3.2016 in so far as not already in force) by The Mortgage Credit Directive Order 2015 (S.I. 2015/910), arts. 1(5), **23(2)(c)** (with Pt. 4)

C703 S. 167 modified (E.W.S.) (29.11.2018 for specified purposes, 1.4.2019 in so far as not already in force) by The Financial Services and Markets Act 2000 (Claims Management Activity) Order 2018 (S.I. 2018/1253), arts. 1(2)(3), **55(4)**

C704 S. 167 applied (with modifications) (8.6.2023 for specified purposes, 7.10.2023 in so far as not already in force) by The Financial Services and Markets Act 2000 (Financial Promotion) (Amendment) Order 2023 (S.I. 2023/612), art. 1(2), **Sch. para. 16** (with art. 11)

C705 S. 167 applied (with modifications) (14.1.2025 for specified purposes) by The Short Selling Regulations 2025 (S.I. 2025/29), regs. 2(2)(3), 24, **Sch. 1 Pt. 1**

C706 S. 167(1) applied (with modifications) (1.1.2014) by The Capital Requirements Regulations 2013 (S.I. 2013/3115), regs. 1(2), **14**

C707 S. 167(1)(4A) applied (3.11.2025) by S.I. 2024/105, **reg. 44(1)** (as substituted by The Public Offers and Admissions to Trading (Amendment and Consequential and Transitional Provisions) Regulations 2025 (S.I. 2025/1076), regs. 1(2), **2**)

168 Appointment of persons to carry out investigations in particular cases.

(1) Subsection (3) applies if it appears to an investigating authority that there are circumstances suggesting that—

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F1317(a) . . . . . .

(b) a person may be guilty of an offence under section **[**F1318122F,**]** 177, **[**F1319191F**]**, 346 or 398(1) F1320....

(2) Subsection (3) also applies if it appears to an investigating authority that there are circumstances suggesting that—

(a) an offence under section 24(1) F1321... **[**F1322or under Part 7 of the Financial Services Act 2012**]** or under Part V of the M7Criminal Justice Act 1993 may have been committed;

(b) there may have been a breach of the general prohibition;

[F1323(ba) an authorised person may have contravened section 20 in relation to a credit-related regulated activity;**]**

(c) there may have been a contravention of section 21 or 238; or

[F1324(d) a person has contravened Article 14 (prohibition of insider dealing and of unlawful disclosure of inside information) or Article 15 (prohibition of market manipulation) of the market abuse regulation.**]**

(3) The investigating authority may appoint one or more competent persons to conduct an investigation on its behalf.

(4) Subsection (5) applies if it appears to **[**F1325an investigating authority**]** that there are circumstances suggesting that—

(a) a person may have contravened section 20;

(b) a person may be guilty of an offence under prescribed regulations relating to money laundering;

[F1326(ba) a person may be guilty of an offence under Schedule 7 to the Counter-Terrorism Act 2008 (terrorist financing or money laundering);**]**

(c) **[**F1327a person**]** may have contravened a rule made by the **[**F1328investigating authority**]**;

[F1329(ca) a recognised investment exchange may have contravened the recognition requirements (within the meaning of Part 18) **[**F1330or a rule made by the FCA under section 300H**]**;**]**

(d) an individual may not be a fit and proper person to perform functions in relation to a regulated activity carried on by an authorised or exempt person;

(e) an individual may have performed or agreed to perform a function in breach of a prohibition order;

(f) **[**F1331a person**]** may have failed to comply with section 56(6);

(g) an authorised person may have failed to comply with section 59(1) or (2);

(h) a person in relation to whom **[**F1332a regulator**]** has given its approval under section 59 may not be a fit and proper person to perform the function to which that approval relates; F1333. . .

[F1334(ha) a person may have performed a controlled function without approval for the purposes of section 63A;**]**

(i) a person may be guilty of misconduct for the purposes of section 66 **[**F1335; F1336...

[F1337(ia) a person may have failed to comply with section 143R;

(ib) an individual may have performed or agreed to perform a function in breach of a Part 9C prohibition order;

(ic) a person may have failed to comply with section 143S(6);**]**

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[[F1338](id) a person may have contravened any provision made by or under the Securitisation Regulations 2024;**]**

(j) a person may have contravened any provision made by or under this Act for the purpose of implementing the markets in financial instruments directive [F1339]...**]**

[[F1340](ja) a person may have contravened—

(i) any provision made by or under this Act for the purpose of implementing the alternative investment fund managers directive; [F1341]...

(ii) any provision made by the Alternative Investment Fund Managers Regulations 2013; [F1342]...

[[F1343](iii) any provision made by or under this Act for the purpose of implementing the UCITS Directive; or

(iv) any provision made by the Undertakings for Collective Investment in Transferable Securities Regulations 2011; [F1344]....**]]**

[[F1345](jb) a person may have contravened—

(i) any provision made by or under this Act for the purposes of the market abuse regulation; or

(ii) a requirement imposed on that person under sections 122A to 122C, 122G to 122I, 123A or 123B;

(jc) a person may have been knowingly concerned in the contravention of—

(i) a provision of the market abuse regulation other than Article 14 (prohibition of insider dealing) or 15 (prohibition of market manipulation) of that regulation; or

(ii) **[**[F1346]any **[**[F1347]assimilated direct**]** legislation originally made under the market abuse regulation or any subordinate legislation (within the meaning of the Interpretation Act 1978) made on or after IP completion day**]** under the market abuse regulation; or**]**

[[F1348](k) a person may have contravened a **[**[F1349]qualifying provision**]** that is specified, or of a description specified, for the purposes of this subsection by the Treasury by order.**]**

[[F1350](4A) Subsection (5) applies if it appears to the investigating authority that there are circumstances suggesting that—

(a) an individual may not be a fit and proper person to perform functions in relation to an activity carried on by a relevant recognised body;

(b) an individual may have performed, or agreed to perform, a function in breach of a Part 18 prohibition order;

(c) a person may have failed to comply with section 309F(1);

(d) a relevant recognised body may have failed to comply with section 309G(1);

(e) a person in relation to whom the FCA has given approval under section 309G may not be a fit and proper person to perform the function to which that approval relates;

(f) a person may have performed a designated senior management function without approval under section 309G (see section 309U(3));

(g) a person may be guilty of misconduct for the purposes of section 309Z2.**]**

[[F1351](4B) Subsection (5) also applies if it appears to the investigating authority that there are circumstances suggesting that a person may have contravened a relevant Part 5A requirement.**]**

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(5) The **[**F1352investigating authority**]** may appoint one or more competent persons to conduct an investigation on its behalf.

[F1353(6) Investigating authority" means—

(a) in subsections (1) to (3), the FCA, the PRA or the Secretary of State;

(b) in subsections (4) and (5), the FCA or the PRA.**]**

[F1354(c) in **[**F1355subsections (4A) and (4B)**]**, the FCA.**]**

[F1356(7) "Relevant recognised body" has the same meaning as in Chapter 2A of Part 18 (see section 309A).**]**

Textual Amendments

F1317 S. 168(1)(a) omitted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by virtue of Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 12 para. 8(2)(a)** (with Sch. 20); S.I. 2013/113, art. 2(1)(b), Sch. Pt. 2; S.I. 2013/423, art. 3, Sch.

F1318 Word in s. 168(1)(b) inserted (3.7.2016) by The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **10(8)(a)**

F1319 Word in s. 168(1)(b) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 12 para. 8(2)(b)** (with Sch. 20); S.I. 2013/113, art. 2(1)(b), Sch. Pt. 2; S.I. 2013/423, art. 3, Sch.

F1320 Words in s. 168(1)(b) omitted (31.12.2020) by virtue of The EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018 (S.I. 2018/1149), reg. 1(3), **Sch. para. 11** (with reg. 4); 2020 c. 1, Sch. 5 para. 1(1)

F1321 Words in s. 168(2)(a) omitted (1.1.2019) by virtue of Financial Guidance and Claims Act 2018 (c. 10), s. 37(5), **Sch. 3 para. 18**; S.I. 2018/1330, reg. 2(g)(v)

F1322 Words in s. 168(2)(a) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 12 para. 8(3)(a)** (with Sch. 20); S.I. 2013/113, art. 2(1)(b), Sch. Pt. 2; S.I. 2013/423, art. 3, Sch.

F1323 S. 168(2)(ba) inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 12 para. 8(3)(b)** (with Sch. 20); S.I. 2013/113, art. 2(1)(b), Sch. Pt. 2; S.I. 2013/423, art. 3, Sch.

F1324 S. 168(2)(d) substituted (3.7.2016) by The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **10(8)(b)**

F1325 Words in s. 168(4) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 12 para. 8(4)(a)** (with Sch. 20); S.I. 2013/113, art. 2(1)(b), Sch. Pt. 2; S.I. 2013/423, art. 3, Sch.

F1326 S. 168(4)(ba) inserted (27.11.2008) by Counter-Terrorism Act 2008 (c. 28), ss. 62, 100(2), **Sch. 7 para. 33(3)** (with s. 101(2), Sch. 7 para. 43)

F1327 Words in s. 168(4)(c) substituted (8.4.2010) by Financial Services Act 2010 (c. 28), ss. 24(1), 26(1), **Sch. 2 para. 16(2)**

F1328 Words in s. 168(4)(c) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 12 para. 8(4)(b)** (with Sch. 20); S.I. 2013/113, art. 2(1)(b), Sch. Pt. 2; S.I. 2013/423, art. 3, Sch.

F1329 S. 168(4)(ca) inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 12 para. 8(4)(c)** (with Sch. 20); S.I. 2013/113, art. 2(1)(b), Sch. Pt. 2; S.I. 2013/423, art. 3, Sch.

F1330 Words in s. 168(4)(ca) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 11(4)**, 86(3); S.I. 2023/779, reg. 4(g)

F1331 Words in s. 168(4)(f) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 12 para. 8(4)(d)** (with Sch. 20); S.I. 2013/113, art. 2(1)(b), Sch. Pt. 2; S.I. 2013/423, art. 3, Sch.

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F1332 Words in s. 168(4)(h) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 12 para. 8(4)(e)** (with Sch. 20); S.I. 2013/113, art. 2(1)(b), Sch. Pt. 2; S.I. 2013/423, art. 3, Sch.

F1333 Word in s. 168(4) omitted (1.4.2007 for certain purposes and 1.11.2007 otherwise) by virtue of The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2007 (S.I. 2007/126), regs. 1(2), 3(5), **Sch. 5 para. 8(a)**

F1334 S. 168(4)(ha) inserted (8.6.2010) by Financial Services Act 2010 (c. 28), ss. 24(1), 26(2)(d)(e), **Sch. 2 para. 16(3)**

F1335 S. 168(4)(j) and preceding word inserted (1.4.2007 for certain purposes and 1.11.2007 otherwise) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2007 (S.I. 2007/126), regs. 1(2), 3(5), **Sch. 5 para. 8(b)**

F1336 Word in s. 168(4)(i) omitted (1.11.2012) by virtue of The Financial Services and Markets Act 2000 (Short Selling) Regulations 2012 (S.I. 2012/2554), regs. 1(1), **2(11)(a)**

F1337 S. 168(4)(ia)-(ic) inserted (1.7.2021) by Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 2 para. 8(1)** (with Sch. 2 Pt. 3); S.I. 2021/671, reg. 4(b)

F1338 S. 168(4)(id) inserted (30.1.2024 for specified purposes, 1.11.2024 in so far as not already in force) by The Securitisation Regulations 2024 (S.I. 2024/102), reg. 2(1)(e)(2), **Sch. 1 para. 5** (with Sch. 3); as amended by S.I. 2024/705, regs. 1(2), 2(2)

F1339 Words in s. 168(4)(j) omitted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by virtue of Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 12 para. 8(4)(f)** (with Sch. 20); S.I. 2013/113, art. 2(1)(b), Sch. Pt. 2; S.I. 2013/423, art. 3, Sch.

F1340 S. 168(4)(ja) inserted (22.7.2013) by The Alternative Investment Fund Managers Regulations 2013 (S.I. 2013/1773), reg. 1, **Sch. 1 para. 10**

F1341 Word in s. 168(4)(ja)(i) omitted (18.3.2016) by virtue of The Undertakings for Collective Investment in Transferable Securities Regulations 2016 (S.I. 2016/225), regs. 1, **2(4)(a)**

F1342 Word in s. 168(4)(ja)(ii) omitted (18.3.2016) by virtue of The Undertakings for Collective Investment in Transferable Securities Regulations 2016 (S.I. 2016/225), regs. 1, **2(4)(a)**

F1343 S. 168(4)(ja)(iii)(iv) inserted (18.3.2016) by The Undertakings for Collective Investment in Transferable Securities Regulations 2016 (S.I. 2016/225), regs. 1, **2(4)(b)**

F1344 Word in s. 168(4)(ja)(iv) omitted (3.7.2016) by virtue of The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **10(8)(c)**

F1345 S. 168(4)(jb)(jc) substituted for s. 168(4)(jb) (3.1.2018) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) (No.2) Regulations 2017 (S.I. 2017/1255), regs. 2(b), **3(4)**

F1346 Words in s. 168(4)(jc)(ii) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **45(a)** (as amended by S.I. 2020/1301, regs. 1, 3, **Sch. para. 33(e)**) (with transitional provisions in S.I. 2019/710, regs. 1(4), **37**); 2020 c. 1, **Sch. 5 para. 1(1)**

F1347 Words in s. 168(4)(jc)(ii) substituted (1.1.2024) by The Retained EU Law (Revocation and Reform) Act 2023 (Consequential Amendment) Regulations 2023 (S.I. 2023/1424), reg. 1(2), **Sch. para. 44(3)(b)**

F1348 S. 168(4)(k) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 12 para. 8(4)(g)** (with Sch. 20); S.I. 2013/113, art. 2(1)(b), Sch. Pt. 2; S.I. 2013/423, art. 3, Sch.

F1349 Words in s. 168(4)(k) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **45(b)** (with transitional provisions in S.I. 2019/710, regs. 1(4), 37); 2020 c. 1, Sch. 5 para. 1(1)

F1350 S. 168(4A) inserted (29.6.2023 for specified purposes) by Financial Services and Markets Act 2023 (c. 29), s. 86(1)(e), **Sch. 10 para. 8(2)**

F1351 S. 168(4B) inserted (14.1.2025) by The Financial Services and Markets Act 2000 (Designated Activities) (Supervision and Enforcement) Regulations 2025 (S.I. 2025/22), reg. 1(2), **Sch. para. 9(2)**

F1352 Words in s. 168(5) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 12 para. 8(5)** (with Sch. 20); S.I. 2013/113, art. 2(1)(b), Sch. Pt. 2; S.I. 2013/423, art. 3, Sch.

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F1353 S. 168(6) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 12 para. 8(6)** (with Sch. 20); S.I. 2013/113, art. 2(1)(b), Sch. Pt. 2; S.I. 2013/423, art. 3, Sch.

F1354 S. 168(6)(c) inserted (29.6.2023 for specified purposes) by Financial Services and Markets Act 2023 (c. 29), s. 86(1)(e), **Sch. 10 para. 8(3)**

F1355 Words in s. 168(6)(c) substituted (14.1.2025) by The Financial Services and Markets Act 2000 (Designated Activities) (Supervision and Enforcement) Regulations 2025 (S.I. 2025/22), reg. 1(2), **Sch. para. 9(3)**

F1356 S. 168(7) inserted (29.6.2023 for specified purposes) by Financial Services and Markets Act 2023 (c. 29), s. 86(1)(e), **Sch. 10 para. 8(4)**

Modifications etc. (not altering text)

C708 S. 168 amended (18.7.2002 for certain purposes and 21.8.2002 otherwise) by The Electronic Commerce Directive (Financial Services and Markets) Regulations 2002 (S.I. 2002/1775), regs. 1, **12(3)**

C709 S. 168 applied (22.7.2013) by The Alternative Investment Fund Managers Regulations 2013 (S.I. 2013/1773), regs. 1, **52(4)**, 53(3)

C710 S. 168 applied (with modifications) (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No. 2) Order 2013 (S.I. 2013/1881), arts. 1(2)(6), **50(2)**

C711 S. 168 modified (20.4.2015 for specified purposes, 21.12.2015 for specified purposes, 21.3.2016 in so far as not already in force) by The Mortgage Credit Directive Order 2015 (S.I. 2015/910), arts. 1(5), **23(3)** (with Pt. 4)

C712 S. 168 applied (with modifications) (29.11.2018 for specified purposes, 1.4.2019 in so far as not already in force) by The Financial Services and Markets Act 2000 (Claims Management Activity) Order 2018 (S.I. 2018/1253), arts. 1(2)(3), **57(2)**(3)

C713 S. 168 modified (29.11.2018 for specified purposes, 1.4.2019 in so far as not already in force) by The Financial Services and Markets Act 2000 (Claims Management Activity) Order 2018 (S.I. 2018/1253), arts. 1(2)(3), **55(5)**

C714 S. 168 applied (with modifications) (31.5.2021) by The Civil Liability Act 2018 (Financial Conduct Authority) (Whiplash) Regulations 2021 (S.I. 2021/594), regs. 1, **2(4)(c)**

C715 S. 168 applied (8.6.2023 for specified purposes, 7.10.2023 in so far as not already in force) by The Financial Services and Markets Act 2000 (Financial Promotion) (Amendment) Order 2023 (S.I. 2023/612), art. 1(2), **Sch. para. 1(h)** (with art. 11)

C716 S. 168 applied (with modifications) (14.1.2025 for specified purposes) by The Short Selling Regulations 2025 (S.I. 2025/29), regs. 2(2)(3), 24, 25, Sch. 1 Pts. 1, **2**

C717 S. 168(3)(5) applied (1.12.2001) by S.I. 2001/2657, **arts. 1(1)**, 18(1)(3) (which was revoked 8.10.2001) by S.I. 2001/3083, **arts. 1(2)**, 23); S.I. 2001/3538, **art. 2(1)**
S. 168(3)(5) applied (1.12.2001) by S.I. 2001/3083, **arts. 1(2)**, 18(1)(3); S.I. 2001/3538, **art. 2(1)**

C718 S. 168(3)(5) applied (3.11.2025) by S.I. 2024/105, **reg. 44(2)** (as substituted by The Public Offers and Admissions to Trading (Amendment and Consequential and Transitional Provisions) Regulations 2025 (S.I. 2025/1076), regs. 1(2), **2**)

C719 S. 168(4) applied (with modifications) (11.4.2002 for certain purposes and 27.4.2002 otherwise) by The Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (S.I. 2001/544), art. 9G(8) (as inserted by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2002 (S.I. 2002/682), arts. 1(2), **4**)

C720 S. 168(4)-(6) applied (20.4.2015 for specified purposes, 21.12.2015 for specified purposes, 21.3.2016 in so far as not already in force) by The Mortgage Credit Directive Order 2015 (S.I. 2015/910), arts. 1(5), **23(2)(d)** (with Pt. 4)

C721 S. 168(4)(c) amended (18.7.2002 for certain purposes and 21.8.2002 otherwise) by The Electronic Commerce Directive (Financial Services and Markets) Regulations 2002 (S.I. 2002/1775), regs. 1, **12(5)**

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C722 S. 168(4)(c) applied (with modifications) (1.4.2013) by The Financial Services Act 2012 (Transitional Provisions) (Miscellaneous Provisions) Order 2013 (S.I. 2013/442), arts. 1(3), **19(10)**

C723 S. 168(4)(ja)(ii) modified (30.1.2024 for specified purposes, 1.11.2024 in so far as not already in force) by The Securitisation Regulations 2024 (S.I. 2024/102), regs. 2(1)(e)(2), **34(7)**(8)(b) (with Sch. 3); as amended by S.I. 2024/705, regs. 1(2), 2(2)

Commencement Information

I25 S. 168 wholly in force at 3.9.2001; s. 168 not in force at Royal Assent see s. 431(2); s. 168(4)(b) in force for certain purposes at 25.2.2001 by S.I. 2001/516, art. 2(b), **Sch. Pt. 2**; s. 168 in force in so far as not already in force at 3.9.2001 by S.I. 2001/2632, art. 2(2), **Sch. Pt. 2**

Marginal Citations

M7 1993 c. 36.

Assistance to overseas regulators

169 Investigations etc. in support of overseas regulator.

(1) At the request of an overseas regulator, **[**F1357a regulator**]** may—

(a) exercise the power conferred by section 165; or

(b) appoint one or more competent persons to investigate any matter.

(2) An investigator has the same powers as an investigator appointed under section 168(3) (as a result of subsection (1) of that section).

[F1358(2A) But where the investigator is—

(a) appointed by the FCA, and

(b) the appointment is in response to a request to the FCA to investigate a possible contravention by a person of Article 14 (prohibition of insider dealing and of unlawful disclosure of inside information) or Article 15 (prohibition of market manipulation) of the market abuse regulation,

the investigator has the same powers as an investigator appointed under section 168(3) (as a result of subsection (2) of that section).**]**

F1359(3) . . . . . .

(4) In deciding whether or not to exercise its investigative power, the **[**F1360regulator**]** may take into account in particular—

(a) whether in the country or territory of the overseas regulator concerned, corresponding assistance would be given to a United Kingdom regulatory authority;

(b) whether the case concerns the breach of a law, or other requirement, which has no close parallel in the United Kingdom or involves the assertion of a jurisdiction not recognised by the United Kingdom;

(c) the seriousness of the case and its importance to persons in the United Kingdom;

(d) whether it is otherwise appropriate in the public interest to give the assistance sought.

(5) The **[**F1361regulator**]** may decide that it will not exercise its investigative power unless the overseas regulator undertakes to make such contribution towards the cost of its exercise as the **[**F1361regulator**]** considers appropriate.

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F1359(6) . . . . . .

(7) If **[**F1362a regulator**]** has appointed an investigator in response to a request from an overseas regulator, it may direct the investigator to permit a representative of that regulator to attend, and take part in, any interview conducted for the purposes of the investigation.

(8) A direction under subsection (7) is not to be given unless the **[**F1363regulator**]** is satisfied that any information obtained by an overseas regulator as a result of the interview will be subject to safeguards equivalent to those contained in Part XXIII.

(9) **[**F1364Each regulator**]** must prepare a statement of its policy with respect to the conduct of interviews in relation to which a direction under subsection (7) has been given.

(10) The statement requires the approval of the Treasury.

(11) If the Treasury approve the statement, the **[**F1365regulator**]** must publish it.

(12) No direction may be given under subsection (7) before the statement has been published.

(13) "Overseas regulator" has the same meaning as in section 195.

(14) "Investigative power" means one of the powers mentioned in subsection (1).

(15) "Investigator" means a person appointed under subsection (1)(b).

Textual Amendments

F1357 Words in s. 169(1) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 12 para. 9(2)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F1358 S. 169(2A) inserted (3.7.2016) by The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **10(9)**

F1359 S. 169(3)(6) omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **46** (with transitional provisions in S.I. 2019/710, regs. 1(4), 37); 2020 c. 1, Sch. 5 para. 1(1)

F1360 Word in s. 169(4) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 12 para. 9(3)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F1361 Word in s. 169(5) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 12 para. 9(4)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F1362 Word in s. 169(7) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 12 para. 9(6)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F1363 Word in s. 169(8) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 12 para. 9(7)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F1364 Words in s. 169(9) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 12 para. 9(8)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F1365 Word in s. 169(11) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 12 para. 9(9)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

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Modifications etc. (not altering text)

C724 S. 169 applied (22.7.2013) by The Alternative Investment Fund Managers Regulations 2013 (S.I. 2013/1773), regs. 1, **71(2)(a)**

C725 S. 169 applied (20.4.2015 for specified purposes, 21.12.2015 for specified purposes, 21.3.2016 in so far as not already in force) by The Mortgage Credit Directive Order 2015 (S.I. 2015/910), arts. 1(5), **23(2)(e)** (with Pt. 4)

C726 S. 169 applied (8.6.2023 for specified purposes, 7.10.2023 in so far as not already in force) by The Financial Services and Markets Act 2000 (Financial Promotion) (Amendment) Order 2023 (S.I. 2023/612), art. 1(2), **Sch. para. 1(i)** (with art. 11)

C727 S. 169 applied (with modifications) (14.1.2025 for specified purposes) by The Short Selling Regulations 2025 (S.I. 2025/29), regs. 2(2)(3), 24, 25, Sch. 1 Pts. 1, **2**

Commencement Information

I26 S. 169 wholly in force at 3.9.2001; s. 169 not in force at Royal Assent see s. 431(2); s. 169 in force for specified purposes at 18.6.2001 by S.I. 2001/1820, art. 2, **Sch.**; s. 169 in force in so far as not already in force at 3.9.2001 by S.I. 2001/2632, art. 2(2), **Sch. Pt. 2**

[F1366 169A Support of overseas regulator with respect to financial stability

(1) At the request of an overseas regulator, the **[**F1367 PRA**]** may exercise a corresponding section 165A power.

(2) An "overseas regulator" means an authority in a country or territory outside the United Kingdom which exercises functions with respect to the stability of the financial system operating in that country or territory.

(3) A "corresponding section 165A power" means a power corresponding to the one conferred by section 165A, but reading references in that section to the stability of the UK financial system as references to the stability of the financial system operating in the country or territory of the overseas regulator.

(4) The following provisions apply in relation to the exercise of the corresponding section 165A power—

(a) section 165B(1) to (5); and

(b) section **[**F1368 169(4)(a) and (d) and (5)**]**.

(5) In this section "the financial system" includes—

(a) financial markets and exchanges;

(b) activities that would be regulated activities if carried on in the United Kingdom; and

(c) other activities connected with financial markets and exchanges.**]**

Textual Amendments

F1366 S. 169A inserted (8.6.2010) by Financial Services Act (c. 28), {ss. 18(3)}, 26(2)

F1367 Word in s. 169A(1) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 12 para. 10** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1368 Words in s. 169A(4)(b) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **47**; 2020 c. 1, Sch. 5 para. 1(1)

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Conduct of investigations

170 Investigations: general.

(1) This section applies if an investigating authority appoints one or more competent persons ("investigators") under section 167 or 168(3) or (5) to conduct an investigation on its behalf.

(2) The investigating authority must give written notice of the appointment of an investigator to the person who is the subject of the investigation ("the person under investigation").

(3) Subsections (2) and (9) do not apply if —

(a) the investigator is appointed as a result of section 168(1) **[**F1369, (4) or (4B)**]** and the investigating authority believes that the notice required by subsection (2) or (9) would be likely to result in the investigation being frustrated; or

(b) the investigator is appointed as a result of subsection (2) of section 168.

(4) A notice under subsection (2) must—

(a) specify the provisions under which, and as a result of which, the investigator was appointed; and

(b) state the reason for his appointment.

(5) Nothing prevents the investigating authority from appointing a person who is a member of its staff as an investigator.

(6) An investigator must make a report of his investigation to the investigating authority.

(7) The investigating authority may, by a direction to an investigator, control—

(a) the scope of the investigation;

(b) the period during which the investigation is to be conducted;

(c) the conduct of the investigation; and

(d) the reporting of the investigation.

(8) A direction may, in particular—

(a) confine the investigation to particular matters;

(b) extend the investigation to additional matters;

(c) require the investigator to discontinue the investigation or to take only such steps as are specified in the direction;

(d) require the investigator to make such interim reports as are so specified.

(9) If there is a change in the scope or conduct of the investigation and, in the opinion of the investigating authority, the person subject to investigation is likely to be significantly prejudiced by not being made aware of it, that person must be given written notice of the change.

(10) "Investigating authority", in relation to an investigator, means—

[F1370(a) the FCA, if the FCA appointed the investigator;

(aa) the PRA, if the PRA appointed the investigator;

(b) the Secretary of State, if the Secretary of State appointed the investigator.**]**

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Textual Amendments

F1369 Words in s. 170(3)(a) substituted (14.1.2025) by The Financial Services and Markets Act 2000 (Designated Activities) (Supervision and Enforcement) Regulations 2025 (S.I. 2025/22), reg. 1(2), **Sch. para. 10**

F1370 S. 170(10)(a)-(b) substituted for s. 170(10)(a)(b) (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 12 para. 11** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

Modifications etc. (not altering text)

C728 S. 170 applied (22.7.2013) by The Alternative Investment Fund Managers Regulations 2013 (S.I. 2013/1773), regs. 1, **71(2)(b)**

C729 S. 170 applied (20.4.2015 for specified purposes, 21.12.2015 for specified purposes, 21.3.2016 in so far as not already in force) by The Mortgage Credit Directive Order 2015 (S.I. 2015/910), arts. 1(5), **23(2)(f)** (with Pt. 4)

C730 S. 170 applied (31.5.2021) by The Civil Liability Act 2018 (Financial Conduct Authority) (Whiplash) Regulations 2021 (S.I. 2021/594), regs. 1, **2(4)(d)**

C731 Ss. 170-175 applied (8.6.2023 for specified purposes, 7.10.2023 in so far as not already in force) by The Financial Services and Markets Act 2000 (Financial Promotion) (Amendment) Order 2023 (S.I. 2023/612), art. 1(2), **Sch. para. 1(j)** (with art. 11)

C732 S. 170 applied (with modifications) (14.1.2025 for specified purposes) by The Short Selling Regulations 2025 (S.I. 2025/29), regs. 2(2)(3), 24, 25, Sch. 1 Pts. 1, **2**

C733 S. 170(1)(2) applied (with modifications) (1.1.2014) by The Capital Requirements Regulations 2013 (S.I. 2013/3115), regs. 1(2), **14**

C734 S. 170(4)-(8) applied (with modifications) (1.1.2014) by The Capital Requirements Regulations 2013 (S.I. 2013/3115), regs. 1(2), **14**

C735 S. 170(5)-(9) applied (1.12.2001 for E.W.S. and 1.11.2004 for N.I.) by S.I. 2001/1228, regs. 1(2)(c), 30(4) (with 1(2)(3)); S.I. 2001/3538, art. 2(1); S.R. 2004/335, regs. 1(1)(b), **30(4)** (with reg. 1(2))

171 Powers of persons appointed under section 167.

(1) **[**F1371An investigator may require a person to whom subsection (1A) applies—**]**

(a) to attend before the investigator at a specified time and place and answer questions; or

(b) otherwise to provide such information as the investigator may require.

[F1372(1A) This subsection applies to the following persons—

(a) the person who is the subject of the investigation ("the person under investigation");

(b) any person connected with the person under investigation;

(c) where the person under investigation is an FCA investment firm, a person who provides, or has provided, a service to the firm or to a relevant parent undertaking of the firm;

(d) where the person under investigation is a relevant parent undertaking of an FCA investment firm, a person who provides, or has provided, a service to the parent undertaking or to the firm.**]**

(2) An investigator may also require any person to produce at a specified time and place any specified documents or documents of a specified description.

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(3) A requirement under subsection (1) or (2) may be imposed only so far as the investigator concerned reasonably considers the question, provision of information or production of the document to be relevant to the purposes of the investigation.

[[F1373](3A) Where the investigation relates to a recognised investment exchange, an investigator has the additional powers conferred by sections 172 and 173 (and for this purpose references in those sections to an investigator are to be read accordingly).**]**

(4) For the purposes of this section and section 172, a person is connected with the person under investigation ("A") if he is or has at any relevant time been—

(a) a member of A's group;

(b) a controller of A;

(c) a partnership of which A is a member; or

(d) in relation to A, a person mentioned in Part I or II of Schedule 15.

(5) "Investigator" means a person conducting an investigation under section 167.

(6) "Specified" means specified in a notice in writing.

[[F1374](7) The reference in subsection (3A) to a recognised investment exchange does not include a reference to an overseas investment exchange (as defined by section 313(1)).**]**

Textual Amendments

F1371 Words in s. 171(1) substituted (1.7.2021) by Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 2 para. 8(3)** (with Sch. 2 Pt. 3); S.I. 2021/671, reg. 4(b)

F1372 S. 171(1A) inserted (1.7.2021) by Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 2 para. 8(4)** (with Sch. 2 Pt. 3); S.I. 2021/671, reg. 4(b)

F1373 S. 171(3A) inserted (1.4.2007 for certain purposes and 1.11.2007 otherwise) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2007 (S.I. 2007/126), regs. 1(2), 3(5), **Sch. 5 para. 9(a)**

F1374 S. 171(7) inserted (1.4.2007 for certain purposes and 1.11.2007 otherwise) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2007 (S.I. 2007/126), regs. 1(2), 3(5), **Sch. 5 para. 9(b)**

Modifications etc. (not altering text)

C731 Ss. 170-175 applied (8.6.2023 for specified purposes, 7.10.2023 in so far as not already in force) by The Financial Services and Markets Act 2000 (Financial Promotion) (Amendment) Order 2023 (S.I. 2023/612), art. 1(2), **Sch. para. 1(j)** (with art. 11)

C736 S. 171 applied (22.7.2013) by The Alternative Investment Fund Managers Regulations 2013 (S.I. 2013/1773), regs. 1, **71(2)(c)**

C737 S. 171 applied (20.4.2015 for specified purposes, 21.12.2015 for specified purposes, 21.3.2016 in so far as not already in force) by The Mortgage Credit Directive Order 2015 (S.I. 2015/910), arts. 1(5), **23(2)(g)** (with Pt. 4)

C738 S. 171 applied (31.5.2021 for specified purposes) by The Civil Liability Act 2018 (Financial Conduct Authority) (Whiplash) Regulations 2021 (S.I. 2021/594), regs. 1, **2(4)(e)**

C739 S. 171 applied (with modifications) (14.1.2025 for specified purposes) by The Short Selling Regulations 2025 (S.I. 2025/29), regs. 2(2)(3), 24, 25, Sch. 1 Pts. 1, **2**

C740 S. 171(1)-(3) applied (with modifications) (1.1.2014) by The Capital Requirements Regulations 2013 (S.I. 2013/3115), regs. 1(2), **14**

C741 S. 171(5)(6) applied (with modifications) (1.1.2014) by The Capital Requirements Regulations 2013 (S.I. 2013/3115), regs. 1(2), **14**

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172 Additional power of persons appointed as a result of section 168(1) [F1375, (4) or (4B)].

(1) An investigator has the powers conferred by section 171.

(2) An investigator may also require a person who is neither the subject of the investigation ("the person under investigation") nor a person connected with the person under investigation—

(a) to attend before the investigator at a specified time and place and answer questions; or

(b) otherwise to provide such information as the investigator may require for the purposes of the investigation.

(3) A requirement may only be imposed under subsection (2) if the investigator is satisfied that the requirement is necessary or expedient for the purposes of the investigation.

(4) "Investigator" means a person appointed as a result of subsection (1) **[**F1376, (4) or (4B)**]** of section 168.

(5) "Specified" means specified in a notice in writing.

Textual Amendments

F1375 Words in s. 172 heading substituted (14.1.2025) by The Financial Services and Markets Act 2000 (Designated Activities) (Supervision and Enforcement) Regulations 2025 (S.I. 2025/22), reg. 1(2), **Sch. para. 11(2)**

F1376 Words in s. 172(4) substituted (14.1.2025) by The Financial Services and Markets Act 2000 (Designated Activities) (Supervision and Enforcement) Regulations 2025 (S.I. 2025/22), reg. 1(2), **Sch. para. 11(3)**

Modifications etc. (not altering text)

C731 Ss. 170-175 applied (8.6.2023 for specified purposes, 7.10.2023 in so far as not already in force) by The Financial Services and Markets Act 2000 (Financial Promotion) (Amendment) Order 2023 (S.I. 2023/612), art. 1(2), **Sch. para. 1(j)** (with art. 11)

C742 S. 172 applied (20.4.2015 for specified purposes, 21.12.2015 for specified purposes, 21.3.2016 in so far as not already in force) by The Mortgage Credit Directive Order 2015 (S.I. 2015/910), arts. 1(5), **23(2)(h)** (with Pt. 4)

C743 S. 172 applied (31.5.2021) by The Civil Liability Act 2018 (Financial Conduct Authority) (Whiplash) Regulations 2021 (S.I. 2021/594), regs. 1, **2(4)(f)**

C744 S. 172 applied (with modifications) (14.1.2025 for specified purposes) by The Short Selling Regulations 2025 (S.I. 2025/29), regs. 2(2)(3), 24, 25, Sch. 1 Pts. 1, **2**

173 Powers of persons appointed as a result of section 168(2).

(1) Subsections (2) to (4) apply if an investigator considers that any person ("A") is or may be able to give information which is or may be relevant to the investigation.

(2) The investigator may require A—

(a) to attend before him at a specified time and place and answer questions; or

(b) otherwise to provide such information as he may require for the purposes of the investigation.

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(3) The investigator may also require A to produce at a specified time and place any specified documents or documents of a specified description which appear to the investigator to relate to any matter relevant to the investigation.

(4) The investigator may also otherwise require A to give him all assistance in connection with the investigation which A is reasonably able to give.

(5) "Investigator" means a person appointed under subsection (3) of section 168 (as a result of subsection (2) of that section).

Modifications etc. (not altering text)

C731 Ss. 170-175 applied (8.6.2023 for specified purposes, 7.10.2023 in so far as not already in force) by The Financial Services and Markets Act 2000 (Financial Promotion) (Amendment) Order 2023 (S.I. 2023/612), art. 1(2), **Sch. para. 1(j)** (with art. 11)

C745 S. 173 applied (20.4.2015 for specified purposes, 21.12.2015 for specified purposes, 21.3.2016 in so far as not already in force) by The Mortgage Credit Directive Order 2015 (S.I. 2015/910), arts. 1(5), **23(2)(i)** (with Pt. 4)

C746 S. 173 applied (31.5.2021) by The Civil Liability Act 2018 (Financial Conduct Authority) (Whiplash) Regulations 2021 (S.I. 2021/594), regs. 1, **2(4)(g)**

174 Admissibility of statements made to investigators.

(1) A statement made to an investigator by a person in compliance with an information requirement is admissible in evidence in any proceedings, so long as it also complies with any requirements governing the admissibility of evidence in the circumstances in question.

(2) But in criminal proceedings in which that person is charged with an offence to which this subsection applies or in proceedings in relation to action to be taken against that person under section 123 **[**F1377to which this subsection applies**]**—

(a) no evidence relating to the statement may be adduced, and

(b) no question relating to it may be asked,

by or on behalf of the prosecution or (as the case may be) **[**F1378a regulator**]**, unless evidence relating to it is adduced, or a question relating to it is asked, in the proceedings by or on behalf of that person.

(3) Subsection (2) applies to any offence other than one—

(a) under section 177(4) or 398;

(b) under section 5 of the M8Perjury Act 1911 (false statements made otherwise than on oath);

(c) under section 44(2) of the M9Criminal Law (Consolidation)(Scotland) Act 1995 (false statements made otherwise than on oath); or

(d) under Article 10 of the M10Perjury (Northern Ireland) Order 1979.

[F1379(3A) Subsection (2) applies to proceedings in relation to action to be taken under section 123(2) or (3) against a person who may have contravened Article 14 (prohibition of insider dealing and of unlawful disclosure of inside information) or Article 15 (prohibition of market manipulation) of the market abuse regulation.**]**

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(4) "Investigator" means a person appointed under section 167 or 168(3) or (5) **[**F1380, or a person appointed under section 169 who has the powers conferred by virtue of subsection (2A) of that section**]**.

(5) "Information requirement" means a requirement imposed by an investigator under section 171, 172, 173 or 175.

Textual Amendments

F1377 Words in s. 174(2) inserted (3.7.2016) by The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **10(10)(a)**

F1378 Words in s. 174(2) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 12 para. 12** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1379 S. 174(3A) inserted (3.7.2016) by The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **10(10)(b)**

F1380 Words in s. 174(4) inserted (3.7.2016) by The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **10(10)(c)**

Modifications etc. (not altering text)

C731 Ss. 170-175 applied (8.6.2023 for specified purposes, 7.10.2023 in so far as not already in force) by The Financial Services and Markets Act 2000 (Financial Promotion) (Amendment) Order 2023 (S.I. 2023/612), art. 1(2), **Sch. para. 1(j)** (with art. 11)

C747 S. 174 applied (1.12.2001 for E.W.S. and 1.11.2004 for N.I) by S.I. 2001/1228, regs. 1(2)(c), 30(5) (with reg. 1(2)(3)); S.I. 2001/3538, art. 2(1); S.R. 2004/335, regs. 1(1)(b), **30(5)** (with reg. 1(2))
S. 174 applied (with modifications) (1.12.2001) by S.I. 2001/3646, **arts. 1(1)**, 2(4), 4(5)

C748 S. 174 applied (with modifications) (7.6.2010) by The Credit Rating Agencies Regulations 2010 (S.I. 2010/906), **reg. 16(4)**

C749 S. 174 applied (22.7.2013) by The Alternative Investment Fund Managers Regulations 2013 (S.I. 2013/1773), regs. 1, **71(2)(d)**

C750 S. 174 applied (20.4.2015 for specified purposes, 21.12.2015 for specified purposes, 21.3.2016 in so far as not already in force) by The Mortgage Credit Directive Order 2015 (S.I. 2015/910), arts. 1(5), **23(2)(j)** (with Pt. 4)

C751 S. 174 applied (with modifications) (31.5.2021) by The Civil Liability Act 2018 (Financial Conduct Authority) (Whiplash) Regulations 2021 (S.I. 2021/594), regs. 1, **2(4)(h)**

C752 S. 174 applied (with modifications) (14.1.2025 for specified purposes) by The Short Selling Regulations 2025 (S.I. 2025/29), regs. 2(2)(3), 24, 25, Sch. 1 Pts. 1, **2**

Marginal Citations

M8 1911 c. 6.

M9 1995 c. 39.

M10 S.I. 1979/1714 (N.I. 19).

175 Information and documents: supplemental provisions.

(1) If **[**F1381either regulator**]** or an investigator has power under this Part to require a person to produce a document but it appears that the document is in the possession of a third person, that power may be exercised in relation to the third person.

(2) If a document is produced in response to a requirement imposed under this Part, the person to whom it is produced may—

(a) take copies or extracts from the document; or

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(b) require the person producing the document, or any relevant person, to provide an explanation of the document.

[F1382(2A) A document so produced may be retained for so long as the person to whom it is produced considers that it is necessary to retain it (rather than copies of it) for the purposes for which the document was requested.

(2B) If the person to whom a document is so produced has reasonable grounds for believing—

(a) that the document may have to be produced for the purposes of any legal proceedings, and

(b) that it might otherwise be unavailable for those purposes,

it may be retained until the proceedings are concluded.**]**

(3) If a person who is required under this Part to produce a document fails to do so, the **[**F1383regulator**]** or an investigator may require him to state, to the best of his knowledge and belief, where the document is.

(4) A lawyer may be required under this Part to furnish the name and address of his client.

(5) No person may be required under this Part to disclose information or produce a document in respect of which he owes an obligation of confidence by virtue of carrying on the business of banking unless—

(a) he is the person under investigation or a member of that person's group;

(b) the person to whom the obligation of confidence is owed is the person under investigation or a member of that person's group;

(c) the person to whom the obligation of confidence is owed consents to the disclosure or production; or

(d) the imposing on him of a requirement with respect to such information or document has been specifically authorised by the investigating authority.

F1384(5A) . . . . . .

F1385(5B) . . . . . .

(6) If a person claims a lien on a document, its production under this Part does not affect the lien.

(7) "Relevant person", in relation to a person who is required to produce a document, means a person who—

(a) has been or is or is proposed to be a director or controller of that person;

(b) has been or is an auditor of that person;

(c) has been or is an actuary, accountant or lawyer appointed or instructed by that person; or

(d) has been or is an employee of that person.

(8) "Investigator" means a person appointed under section 167 or 168(3) or (5).

Textual Amendments

F1381 Words in s. 175(1) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 12 para. 13(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1382 S. 175(2A)(2B) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 12 para. 13(3)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

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F1383 Word in s. 175(3) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 12 para. 13(4)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1384 S. 175(5A) omitted (14.10.2024) by virtue of Investigatory Powers (Amendment) Act 2024 (c. 9), s. 32(2), **Sch. para. 5**; S.I. 2024/1021, reg. 2(bb)

F1385 S. 175(5B) omitted (14.10.2024) by virtue of Investigatory Powers (Amendment) Act 2024 (c. 9), s. 32(2), **Sch. para. 5**; S.I. 2024/1021, reg. 2(bb)

Modifications etc. (not altering text)

C731 Ss. 170-175 applied (8.6.2023 for specified purposes, 7.10.2023 in so far as not already in force) by The Financial Services and Markets Act 2000 (Financial Promotion) (Amendment) Order 2023 (S.I. 2023/612), art. 1(2), **Sch. para. 1(j)** (with art. 11)

C753 S. 175 applied (with modifications) (11.4.2002 for certain purposes and 27.4.2002 otherwise) by The Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (S.I. 2001/544), art. 9G(9) (as inserted by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2002 (S.I. 2002/682), arts. 1(2), **4**)

C754 S. 175 applied (with modifications) (7.6.2010) by The Credit Rating Agencies Regulations 2010 (S.I. 2010/906), **reg. 17**

C755 S. 175 applied (22.7.2013) by The Alternative Investment Fund Managers Regulations 2013 (S.I. 2013/1773), regs. 1, **71(2)(e)**

C756 S. 175 applied (20.4.2015 for specified purposes, 21.12.2015 for specified purposes, 21.3.2016 in so far as not already in force) by The Mortgage Credit Directive Order 2015 (S.I. 2015/910), arts. 1(5), **23(2)(k)** (with Pt. 4)

C757 S. 175 applied (with modifications) (13.7.2016) by The Financial Services and Markets Act 2000 (Transparency of Securities Financing Transactions and of Reuse) Regulations 2016 (S.I. 2016/715), regs. 1(2), **7**

C758 S. 175 applied by S.I. 2018/1149, reg. 60 (as inserted (1.3.2019) by The Financial Services Contracts (Transitional and Saving Provision) (EU Exit) Regulations 2019 (S.I. 2019/405), regs. 1(2), **3**)

C759 S. 175 applied (with modifications) by S.I. 2018/1201, Sch. 3 para. 12H(2) (as substituted (6.9.2019) by The Financial Services (Electronic Money, Payment Services and Miscellaneous Amendments) (EU Exit) Regulations 2019 (S.I. 2019/1212), regs. 1(2), **7(8)**)

C760 S. 175 applied (with modifications) by S.I. 2018/1201, Sch. 3 para. 32A(2) (as substituted (6.9.2019) by The Financial Services (Electronic Money, Payment Services and Miscellaneous Amendments) (EU Exit) Regulations 2019 (S.I. 2019/1212), regs. 1(2), **7(15)**)

C761 S. 175 applied (31.12.2020) by The Electronic Commerce and Solvency 2 (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/1361), regs. 1(2), **20** (as amended by S.I. 2019/1390, regs. 1(2), 6); 2020 c. 1, Sch. 5 para. 1(1)

C762 S. 175 applied (31.5.2021) by The Civil Liability Act 2018 (Financial Conduct Authority) (Whiplash) Regulations 2021 (S.I. 2021/594), regs. 1, **2(4)(i)**

C763 S. 175 applied (with modifications) (14.1.2025 for specified purposes) by The Short Selling Regulations 2025 (S.I. 2025/29), regs. 2(2)(3), 24, 25, Sch. 1 Pts. 1, **2**

C764 S. 175 applied (temp.) (16.12.2025 for specified purposes and 29.6.2028 otherwise) by The Financial Services and Markets Act 2000 (Regulated Activities) (ESG Ratings) Order 2025 (S.I. 2025/1349), arts. 2, **17** (with art. 20)

C765 S. 175 applied (1.1.2026) by The Financial Services and Markets Act 2023 (Mutual Recognition Agreement) (Switzerland) Regulations 2025 (S.I. 2025/1145), regs. 1(2), **35**

C766 S. 175 applied (25.2.2026 for specified purposes) by The Financial Services and Markets Act 2000 (Cryptoassets) Regulations 2026 (S.I. 2026/102), regs. 1(2)(3), **61(c)** (with regs. 53-56)

C767 S. 175(2)-(4)(6) amended (1.12.2001 for E.W.S. and 1.11.2004 for N.I) by S.I. 2001/1228, regs. 1(2)(c), 30(6) (with reg. 1(2)(3)); S.I. 2001/3538, art. 2(1); S.R. 2004/335, regs. 1(1)(b), **30(6)** (with reg. 1(2))

C768 S. 175(2)-(6) applied (with modifications) (1.1.2014) by The Capital Requirements Regulations 2013 (S.I. 2013/3115), regs. 1(2), **14**

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C769 S. 175(2)(2A)(2B) modified (E.W.S.) (29.11.2018 for specified purposes, 1.4.2019 in so far as not already in force) by The Financial Services and Markets Act 2000 (Claims Management Activity) Order 2018 (S.I. 2018/1253), arts. 1(2)(3), **55(6)**

C770 S. 175(8) applied (with modifications) (1.1.2014) by The Capital Requirements Regulations 2013 (S.I. 2013/3115), regs. 1(2), **14**

176 Entry of premises under warrant.

(1) A justice of the peace may issue a warrant under this section if satisfied on information on oath given by or on behalf of the Secretary of State, **[**F1386either regulator**]** or an investigator that there are reasonable grounds for believing that the first, second or third set of conditions is satisfied.

(2) The first set of conditions is—

(a) that a person on whom an information requirement has been imposed has failed (wholly or in part) to comply with it; and

(b) that on the premises specified in the warrant—

(i) there are documents which have been required; or

(ii) there is information which has been required.

(3) The second set of conditions is—

(a) that the premises specified in the warrant are premises of **[**F1387a person to whom subsection (3A) applies**]**;

(b) that there are on the premises documents or information in relation to which an information requirement could be imposed; and

(c) that if such a requirement were to be imposed—

(i) it would not be complied with; or

(ii) the documents or information to which it related would be removed, tampered with or destroyed.

[F1388(3A) This subsection applies to the following persons—

(a) an authorised person;

(b) an appointed representative;

(c) a relevant parent undertaking of an FCA investment firm;

(d) a person who provides a service to an FCA investment firm or to a relevant parent undertaking of such a firm.

[F1389(e) a person who is or has been subject to a relevant Part 5A requirement.**]]**

(4) The third set of conditions is—

(a) that an offence mentioned in section 168 for which the maximum sentence on conviction on indictment is two years or more has been (or is being) committed by any person;

(b) that there are on the premises specified in the warrant documents or information relevant to whether that offence has been (or is being) committed;

(c) that an information requirement could be imposed in relation to those documents or information; and

(d) that if such a requirement were to be imposed—

(i) it would not be complied with; or

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(ii) the documents or information to which it related would be removed, tampered with or destroyed.

(5) A warrant under this section shall authorise a constable—

(a) to enter the premises specified in the warrant;

(b) to search the premises and take possession of any documents or information appearing to be documents or information of a kind in respect of which a warrant under this section was issued ("the relevant kind") or to take, in relation to any such documents or information, any other steps which may appear to be necessary for preserving them or preventing interference with them;

(c) to take copies of, or extracts from, any documents or information appearing to be of the relevant kind;

(d) to require any person on the premises to provide an explanation of any document or information appearing to be of the relevant kind or to state where it may be found; and

(e) to use such force as may be reasonably necessary.

[F1390(5A) A warrant under this section may be executed by any constable.

(5B) The warrant may authorise persons to accompany any constable who is executing it.

(5C) The powers in subsection (5) may be exercised by a person authorised by the warrant to accompany a constable; but that person may exercise those powers only in the company of, and under the supervision of, a constable.**]**

(6) In England and Wales, sections 15(5) to (8) and section **[**F1391 16(3) to (12)**]** of the M11 Police and Criminal Evidence Act 1984 (execution of search warrants and safeguards) apply to warrants issued under this section.

(7) In Northern Ireland, Articles 17(5) to (8) and **[**F1392 18(3) to (12)**]** of the M12 Police and Criminal Evidence (Northern Ireland) Order 1989 apply to warrants issued under this section.

F1393(8) . . . . . .

(9) In the application of this section to Scotland—

(a) for the references to a justice of the peace substitute references to a justice of the peace or a sheriff; and

(b) for the references to information on oath substitute references to evidence on oath.

(10) "Investigator" means a person appointed under section 167 or 168(3) or (5).

(11) "Information requirement" means a requirement imposed—

(a) by **[**F1394 a regulator**]** under section F1395 ... 165 **[**F1396, 165A, 169A**]** or 175; F1397 ...

[F1398(aa) by the FCA under regulation 26, 28 or 33 of the Public Offers and Admissions to Trading Regulations 2024; **[**F1399 or**]]**

[F1400(ab) by the FCA by virtue of regulation 21 of the Financial Services and Markets Act 2000 (Cryptoassets) Regulations 2026; or**]**

(b) by an investigator under section 171, 172, 173 or 175.

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Textual Amendments

F1386 Words in s. 176(1) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 12 para. 14(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1387 Words in s. 176(3)(a) substituted (1.7.2021) by Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 2 para. 9(2)** (with Sch. 2 Pt. 3); S.I. 2021/671, reg. 4(b)

F1388 S. 176(3A) inserted (1.7.2021) by Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 2 para. 9(3)** (with Sch. 2 Pt. 3); S.I. 2021/671, reg. 4(b)

F1389 S. 176(3A)(e) inserted (14.1.2025) by The Financial Services and Markets Act 2000 (Designated Activities) (Supervision and Enforcement) Regulations 2025 (S.I. 2025/22), reg. 1(2), **Sch. para. 12**

F1390 S. 176(5A)-(5C) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 12 para. 14(3)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1391 Words in s. 176(6) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 12 para. 14(4)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1392 Words in s. 176(7) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 12 para. 14(5)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1393 S. 176(8) omitted (1.4.2013) by virtue of Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 12 para. 14(6)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1394 Words in s. 176(11)(a) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 12 para. 14(7)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1395 Words in s. 176(11)(a) omitted (30.1.2024 for specified purposes, 19.1.2026 in so far as not already in force) by virtue of The Public Offers and Admissions to Trading Regulations 2024 (S.I. 2024/105), reg. 2(2)(3), **Sch. 3 para. 16(a)** (with regs. 48-50); S.I. 2025/1078, reg. 5(b) (with reg. 12)

F1396 Words in s. 176(11)(a) inserted (8.6.2010) by Financial Services Act 2010 (c. 28), ss. 24(1), 26(2)(d)(e), **Sch. 2 para. 17**

F1397 Word in s. 176(11)(a) omitted (30.1.2024 for specified purposes, 19.1.2026 in so far as not already in force) by virtue of The Public Offers and Admissions to Trading Regulations 2024 (S.I. 2024/105), reg. 2(2)(3), **Sch. 3 para. 16(b)** (with regs. 48-50); S.I. 2025/1078, reg. 5(b) (with reg. 12)

F1398 S. 176(11)(aa) inserted (30.1.2024 for specified purposes, 19.1.2026 in so far as not already in force) by The Public Offers and Admissions to Trading Regulations 2024 (S.I. 2024/105), reg. 2(2)(3), **Sch. 3 para. 16(c)** (with regs. 48-50); S.I. 2025/1078, reg. 5(b) (with reg. 12)

F1399 Word in s. 176(11)(aa) omitted (25.2.2026 for specified purposes) by virtue of The Financial Services and Markets Act 2000 (Cryptoassets) Regulations 2026 (S.I. 2026/102), regs. 1(2)(3), **41(3)(a)** (with regs. 53-56)

F1400 S. 176(11)(ab) inserted (25.2.2026 for specified purposes) by The Financial Services and Markets Act 2000 (Cryptoassets) Regulations 2026 (S.I. 2026/102), regs. 1(2)(3), **41(3)(b)** (with regs. 53-56)

Modifications etc. (not altering text)

C771 S. 176 extended (17.8.2001 for certain purposes otherwise 1.12.2001) by 1992 c. 40, **s. 62A** (as inserted (17.8.2001 for certain purposes otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 8, 13(1), Sch. 3 Pt. I para. 77 (with art. 13(3), **Sch. 5**)); S.I. 2001/3538, **art. 2(1)**
S. 176 modified (17.8.2001 for certain purposes otherwise 1.12.2001) by 1986 c. 53, **s. 52B** (as substituted (17.8.2001 for certain purposes otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 8, 13(1), Sch. 3 Pt. I para. 151 (with art. 13(3), **Sch. 5**)); S.I. 2001/3538, **art. 2(1)**
S. 176 modified (1.12.2001) by S.I. 1995/1537, **reg. 23(4)** (as amended (1.12.2001) by S.I. 2001/3649, **arts. 1**, 509(e))

C772 S. 176 amended (18.7.2002 for certain purposes and 21.8.2002 otherwise) by The Electronic Commerce Directive (Financial Services and Markets) Regulations 2002 (S.I. 2002/1775), regs. 1, **12(3)**
S. 176 applied (with modifications) (11.4.2002 for certain purposes and 27.4.2002 otherwise) by The Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (S.I. 2001/544), art. 9G(9)

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(as inserted by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2002 (S.I. 2002/682), arts. 1(2), **4**)

C773 S. 176 applied (with modifications) (1.4.2013) by The Financial Services Act 2012 (Transitional Provisions) (Miscellaneous Provisions) Order 2013 (S.I. 2013/442), arts. 1(3), **21**

C774 S. 176 applied (22.7.2013) by The Alternative Investment Fund Managers Regulations 2013 (S.I. 2013/1773), regs. 1, **71(1)(d)(2)(f)**

C775 S. 176 applied (20.4.2015 for specified purposes, 21.12.2015 for specified purposes, 21.3.2016 in so far as not already in force) by The Mortgage Credit Directive Order 2015 (S.I. 2015/910), arts. 1(5), **23(2)(l)** (with Pt. 4)

C776 S. 176 applied (with modifications) (31.5.2021) by The Civil Liability Act 2018 (Financial Conduct Authority) (Whiplash) Regulations 2021 (S.I. 2021/594), regs. 1, **2(4)(j)**

C777 S. 176 applied (with modifications) (8.6.2023 for specified purposes, 7.10.2023 in so far as not already in force) by The Financial Services and Markets Act 2000 (Financial Promotion) (Amendment) Order 2023 (S.I. 2023/612), art. 1(2), **Sch. para. 17** (with art. 11)

C778 S. 176 applied (with modifications) (14.1.2025 for specified purposes) by The Short Selling Regulations 2025 (S.I. 2025/29), regs. 2(2)(3), 24, 25, Sch. 1 Pts. 1, **2**

C779 S. 176(1)-(9) applied (1.12.2001) by S.I. 2001/1228, **regs. 1(2)(c)**, 30(7) (with reg. 1(2)(3)); S.I. 2001/3538, **art. 2(1)**

C780 S. 176(1)-(8) applied (with modifications) (N.I.) (1.11.2004) by Open-Ended Investment Companies Regulations (Northern Ireland) 2004 (S.R. 2004/335), regs. 1(1)(b), **30(7)** (with reg. 1(2))

C781 S. 176(1)-(3) applied (with modifications) (1.1.2014) by The Capital Requirements Regulations 2013 (S.I. 2013/3115), regs. 1(2), **14**

C782 S. 176(2) extended (1.12.2001) by S.I. 2001/3646, **arts. 1(1)**, 13(2)

C783 S. 176(5): powers of seizure extended (1.4.2003) by 2001 c. 16, ss. 50, 52-54, 68, 138(2), Sch. 1 Pt. I para. 69; S.I. 2003/708, **art. 2(a)(c)(j)**

C784 S. 176(5)-(11) applied (with modifications) (1.1.2014) by The Capital Requirements Regulations 2013 (S.I. 2013/3115), regs. 1(2), **14**

C785 S. 176(11) restricted (temp. from 11.8.2001 until 1.12.2001) by S.I. 2001/2659, **arts. 1(3)**, 2(3); S.I. 2001/3538, **art. 2(1)**

C786 S. 176(11) restricted (temp. from 8.4.2002 until 2.7.2002) by The Financial Services and Markets Act 2000 (Permission and Applications) (Credit Unions etc.) Order 2002 (S.I. 2002/704), **art. 8(3)**

Marginal Citations

M11 1984 c. 60.

M12 S.I. 1989/1341 (N.I. 12).

[F1401 176A Retention of documents taken under section 176

(1) Any document of which possession is taken under section 176 ("a seized document") may be retained so long as it is necessary to retain it (rather than copies of it) in the circumstances.

(2) A person claiming to be the owner of a seized document may apply to a magistrates' court or (in Scotland) the sheriff for an order for the delivery of the document to the person appearing to the court or sheriff to be the owner.

(3) If on an application under subsection (2) the court or (in Scotland) the sheriff cannot ascertain who is the owner of the seized document the court or sheriff (as the case may be) may make such order as the court or sheriff thinks fit.

(4) An order under subsection (2) or (3) does not affect the right of any person to take legal proceedings against any person in possession of a seized document for the recovery of the document.

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(5) Any right to bring proceedings (as described in subsection (4)) may only be exercised within 6 months of the date of the order made under subsection (2) or (3).**]**

Textual Amendments

F1401 S. 176A inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 12 para. 15** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

Modifications etc. (not altering text)

C787 S. 176A applied (22.7.2013) by The Alternative Investment Fund Managers Regulations 2013 (S.I. 2013/1773), regs. 1, **71(2)(g)**

C788 S. 176A applied (with modifications) (1.1.2014) by The Capital Requirements Regulations 2013 (S.I. 2013/3115), regs. 1(2), **14**

C789 S. 176A applied (20.4.2015 for specified purposes, 21.12.2015 for specified purposes, 21.3.2016 in so far as not already in force) by The Mortgage Credit Directive Order 2015 (S.I. 2015/910), arts. 1(5), **23(2)(m)** (with Pt. 4)

C790 S. 176A modified (E.W.S.) (29.11.2018 for specified purposes, 1.4.2019 in so far as not already in force) by The Financial Services and Markets Act 2000 (Claims Management Activity) Order 2018 (S.I. 2018/1253), arts. 1(2)(3), **61**

C791 S. 176A applied (with modifications) (31.5.2021) by The Civil Liability Act 2018 (Financial Conduct Authority) (Whiplash) Regulations 2021 (S.I. 2021/594), regs. 1, **2(4)(k)**

C792 S. 176A applied (8.6.2023 for specified purposes, 7.10.2023 in so far as not already in force) by The Financial Services and Markets Act 2000 (Financial Promotion) (Amendment) Order 2023 (S.I. 2023/612), art. 1(2), **Sch. para. 1(k)** (with art. 11)

C793 S. 176A applied (with modifications) (14.1.2025 for specified purposes) by The Short Selling Regulations 2025 (S.I. 2025/29), regs. 2(2)(3), 24, 25, Sch. 1 Pts. 1, **2**

Offences

177 Offences.

(1) If a person other than the investigator ("the defaulter") fails to comply with a requirement imposed on him under this Part the person imposing the requirement may certify that fact in writing to the court.

(2) If the court is satisfied that the defaulter failed without reasonable excuse to comply with the requirement, it may deal with the defaulter (and in the case of a body corporate, any director or **[**F1402other**]** officer) as if he were in contempt **[**F1403; and "officer", in relation to a limited liability partnership, means a member of the limited liability partnership.**]**.

(3) A person who knows or suspects that an investigation is being or is likely to be conducted under this Part is guilty of an offence if—

(a) he falsifies, conceals, destroys or otherwise disposes of a document which he knows or suspects is or would be relevant to such an investigation, or

(b) he causes or permits the falsification, concealment, destruction or disposal of such a document,

unless he shows that he had no intention of concealing facts disclosed by the documents from the investigator.

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(4) A person who, in purported compliance with a requirement imposed on him under this Part—

(a) provides information which he knows to be false or misleading in a material particular, or

(b) recklessly provides information which is false or misleading in a material particular,

is guilty of an offence.

(5) A person guilty of an offence under subsection (3) or (4) is liable—

(a) on summary conviction, to imprisonment for a term not exceeding six months or a fine not exceeding the statutory maximum, or both;

(b) on conviction on indictment, to imprisonment for a term not exceeding two years or a fine, or both.

(6) Any person who intentionally obstructs the exercise of any rights conferred by a warrant under section 176 is guilty of an offence and liable on summary conviction to imprisonment for a term not exceeding three months or a fine not exceeding level 5 on the standard scale, or both.

[F1404(7) In this section—

"court" means—

(a) the High Court;

(b) in Scotland, the Court of Session;

"investigator appointed by the FCA" means an investigator appointed by the FCA under section 167, 168 or 169;

"officer of the FCA" means an officer authorised by the FCA for the purposes of section 165(3).**]**

Textual Amendments

F1402 Word in s. 177(2) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 18 para. 8** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1403 Words in s. 177(2) inserted (6.4.2001 for E.W.S. and 13.9.2004 for N.I.) by S.I. 2001/1090, regs. 1, 9, Sch. 5 para. 21; S.R. 2004/307, reg. 9, **Sch. 4 para. 17**

F1404 S. 177(7) substituted (3.7.2016) by The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **10(11)**

Modifications etc. (not altering text)

C794 S. 177 applied (1.12.2001 for E.W.S. and 1.11.2004 for N.I) by S.I. 2001/1228, regs. 1(2)(c), 30(6) (with reg. 1(2)(3)); S.I. 2001/3538, art. 2(1); S.R. 2004/335, regs. 1(1)(b), **30(6)** (with reg. 1(2))
S. 177 excluded (1.12.2001) by S.I. 2001/3646, **arts. 1(1)**, 2(5)
S. 177 restricted (1.12.2001) by S.I. 2001/3646, **arts. 1(1)**, 2(7)(a), 4(6)(a), 6(4)(a), 7(4)(a), 8(4)(a), 9(4)(a)

C795 S. 177 applied (with modifications) (11.4.2002 for certain purposes and 27.4.2002 otherwise) by The Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (S.I. 2001/544), art. 9G(9) (as inserted by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2002 (S.I. 2002/682), arts. 1(2), **4**)

C796 S. 177 applied (with modifications) (7.6.2010) by The Credit Rating Agencies Regulations 2010 (S.I. 2010/906), **reg. 24**

C797 S. 177 applied (22.7.2013) by The Alternative Investment Fund Managers Regulations 2013 (S.I. 2013/1773), regs. 1, **71(2)(h)**

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

C798 S. 177 applied (with modifications) (1.1.2014) by The Capital Requirements Regulations 2013 (S.I. 2013/3115), regs. 1(2), **14**

C799 S. 177 applied (20.4.2015 for specified purposes, 21.12.2015 for specified purposes, 21.3.2016 in so far as not already in force) by The Mortgage Credit Directive Order 2015 (S.I. 2015/910), arts. 1(5), **23(2)(n)** (with Pt. 4)

C800 S. 177 modified (29.11.2018 for specified purposes, 1.4.2019 in so far as not already in force) by The Financial Services and Markets Act 2000 (Claims Management Activity) Order 2018 (S.I. 2018/1253), arts. 1(2)(3), **55(7)**

C801 S. 177 applied by S.I. 2018/1149, reg. 60 (as inserted (1.3.2019) by The Financial Services Contracts (Transitional and Saving Provision) (EU Exit) Regulations 2019 (S.I. 2019/405), regs. 1(2), **3**)

C802 S. 177 applied (with modifications) by S.I. 2018/1201, Sch. 3 para. 12H(2) (as substituted (6.9.2019) by The Financial Services (Electronic Money, Payment Services and Miscellaneous Amendments) (EU Exit) Regulations 2019 (S.I. 2019/1212), regs. 1(2), **7(8)**)

C803 S. 177 applied (with modifications) by S.I. 2018/1201, Sch. 3 para. 32A(2) (as substituted (6.9.2019) by The Financial Services (Electronic Money, Payment Services and Miscellaneous Amendments) (EU Exit) Regulations 2019 (S.I. 2019/1212), regs. 1(2), **7(15)**)

C804 S. 177 applied (31.12.2020) by The Electronic Commerce and Solvency 2 (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/1361), regs. 1(2), **20** (as amended by S.I. 2019/1390, regs. 1(2), 6); 2020 c. 1, Sch. 5 para. 1(1)

C805 S. 177 applied (with modifications) (31.5.2021) by The Civil Liability Act 2018 (Financial Conduct Authority) (Whiplash) Regulations 2021 (S.I. 2021/594), regs. 1, **2(4)(l)**

C806 S. 177 applied (8.6.2023 for specified purposes, 7.10.2023 in so far as not already in force) by The Financial Services and Markets Act 2000 (Financial Promotion) (Amendment) Order 2023 (S.I. 2023/612), art. 1(2), **Sch. para. 1(l)** (with art. 11)

C807 S. 177 applied (with modifications) (14.1.2025 for specified purposes) by The Short Selling Regulations 2025 (S.I. 2025/29), regs. 2(2)(3), 24, 25, Sch. 1 Pts. 1, **2**

C808 S. 177 applied (1.1.2026) by The Financial Services and Markets Act 2023 (Mutual Recognition Agreement) (Switzerland) Regulations 2025 (S.I. 2025/1145), regs. 1(2), **35**

C809 S. 177 applied (25.2.2026 for specified purposes) by The Financial Services and Markets Act 2000 (Cryptoassets) Regulations 2026 (S.I. 2026/102), regs. 1(2)(3), **61(d)** (with regs. 53-56)

[F1405 Interpretation

Textual Amendments

F1405 S. 177A and cross-heading inserted (1.7.2021) by Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 2 para. 10** (with Sch. 2 Pt. 3); S.I. 2021/671, reg. 4(b)

177A Interpretation of Part 11

In this Part—

"FCA investment firm" has the meaning given in section 143A;

"relevant parent undertaking", in relation to an FCA investment firm, means an authorised parent undertaking or a non-authorised parent undertaking (as defined in section 143B).**]**

Modifications etc. (not altering text)

C810 S. 177A applied (with modifications) (14.1.2025 for specified purposes) by The Short Selling Regulations 2025 (S.I. 2025/29), regs. 2(2)(3), 24, 25, Sch. 1 Pts. 1, **2**

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PART XII

CONTROL OVER AUTHORISED PERSONS

Modifications etc. (not altering text)

C811 Pt. 12 modified (1.12.2001) by S.I. 2001/3592, **arts. 1(2)**, 114(3)(a) (with art. 23(2))

C812 Pt. 12 applied (with modifications) (30.4.2011) by The Electronic Money Regulations 2011 (S.I. 2011/99), reg. 62, **Sch. 3 para. 4** (with reg. 3) (as amended (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 196(5)(d)(e)**)

C813 Pt. 12 excluded (26.7.2013 for specified purposes, 2.9.2013 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No.2) Order 2013 (S.I. 2013/1881), arts. 1(2)(5), **59(7)**

C814 Pt. 12 applied (with modifications) (13.8.2017 for specified purposes, 13.10.2017 in so far as nt already in force) by The Payment Services Regulations 2017 (S.I. 2017/752), reg. 1(2)(b)(iii)(3)(c), **Sch. 6 para. 5** (with reg. 3)

C815 Pt. 12 excluded (8.12.2017) by The Risk Transformation Regulations 2017 (S.I. 2017/1212), regs. 1(2), **8**

C816 Pt. 12 modified (E.W.S.) (29.11.2018 for specified purposes, 1.4.2019 in so far as not already in force) by The Financial Services and Markets Act 2000 (Claims Management Activity) Order 2018 (S.I. 2018/1253), arts. 1(2)(3), **83(10)**

C817 Pt. 12 applied (with modifications) (11.8.2022) by S.I. 2017/692, **Sch. 6B para. 1** (as inserted by The Money Laundering and Terrorist Financing (Amendment) (No. 2) Regulations 2022 (S.I. 2022/860), regs. 1(2)(c), **12(4)**)

[F1406 Notices of acquisitions of control over UK authorised persons

Textual Amendments

F1406 Ss. 178-191G and cross-headings substituted (21.3.2009) for ss. 178-191 and cross-headings by The Financial Services and Markets Act 2000 (Controllers) Regulations 2009 (S.I. 2009/534), reg. 3, **Sch. 1** (with reg. 8)

X2 178 Obligation to notify the [F1407 appropriate regulator]: acquisitions of control

(1) A person who decides to acquire or increase control over a UK authorised person must give the **[**F1407 appropriate regulator**]** notice in writing before making the acquisition.

(2) For the purposes of calculations relating to this section, the holding of shares or voting power by a person ("A1") includes any shares or voting power held by another ("A2") if A1 and A2 are acting in concert.

F1408 **[** (2ZA) This section does not apply if the only regulated activity for which the UK authorised person has a Part 4A permission is the regulated activity specified in article 63S of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (administering a benchmark).**]**

F1409 **[** (2A) In this Part, "the appropriate regulator" means—

(a) where the UK authorised person is a PRA-authorised person, the PRA;

(b) in any other case, the FCA.**]**

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(3) In this Part, a notice given under this section is a "section 178 notice" and a person giving notice is a "section 178 notice-giver".

Editorial Information

X2 The substitution of ss. 178-191G for ss. 178-191 on 21.3.2009 which involves the insertion of several new headings in Pt. XII gives rise to a change in the structure of this legislation on SLD which breaks the continuity of historical versions of the existing provisions which are now brought under those new headings.

Textual Amendments

F1407 Words in Pt. 12 substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 26(2)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1408 S. 178(2ZA) inserted (27.2.2018) by The Financial Services and Markets Act 2000 (Benchmarks) Regulations 2018 (S.I. 2018/135), regs. 1(2), **44**

F1409 S. 178(2A) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 26(3)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

[X3]179 Requirements for section 178 notices

(1) A section 178 notice must be in such form, include such information and be accompanied by such documents as the **[**[F1407]appropriate regulator**]** may reasonably require.

(2) **[**[F1410]Each regulator**]** must publish a list of its requirements as to the form, information and accompanying documents for a section 178 notice.

(3) The **[**[F1407]appropriate regulator**]** may impose different requirements for different cases and may vary or waive requirements in particular cases.

Editorial Information

X3 The substitution of ss. 178-191G for ss. 178-191 on 21.3.2009 which involves the insertion of several new headings in Pt. XII gives rise to a change in the structure of this legislation on SLD which breaks the continuity of historical versions of the existing provisions which are now brought under those new headings.

Textual Amendments

F1407 Words in Pt. 12 substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 26(2)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1410 Words in s. 179 substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 26(4)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

[X4]180 Acknowledgment of receipt

(1) The **[**[F1407]appropriate regulator**]** must acknowledge receipt of a completed section 178 notice in writing before the end of the second working day following receipt.

(2) If the **[**[F1407]appropriate regulator**]** receives an incomplete section 178 notice it must inform the section 178 notice-giver as soon as reasonably practicable.

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Editorial Information

X4 The substitution of ss. 178-191G for ss. 178-191 on 21.3.2009 which involves the insertion of several new headings in Pt. XII gives rise to a change in the structure of this legislation on SLD which breaks the continuity of historical versions of the existing provisions which are now brought under those new headings.

Textual Amendments

F1407 Words in Pt. 12 substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 26(2)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

Acquiring control and other changes of holding

[X5]181 Acquiring control

(1) For the purposes of this Part, a person ("A") acquires control over a UK authorised person ("B") if any of the cases in subsection (2) begin to apply.

(2) The cases are where A holds—

(a) 10% or more of the shares in B or in a parent undertaking of B ("P");

(b) 10% or more of the voting power in B or P; or

(c) shares or voting power in B or P as a result of which A is able to exercise significant influence over the management of B.

Editorial Information

X5 The substitution of ss. 178-191G for ss. 178-191 on 21.3.2009 which involves the insertion of several new headings in Pt. XII gives rise to a change in the structure of this legislation on SLD which breaks the continuity of historical versions of the existing provisions which are now brought under those new headings.

[X6]182 Increasing control

(1) For the purposes of this Part, a person ("A") increases control over a UK authorised person ("B") whenever—

(a) the percentage of shares which A holds in B or in a parent undertaking of B ("P") increases by any of the steps mentioned in subsection (2);

(b) the percentage of voting power A holds in B or P increases by any of the steps mentioned in subsection (2); or

(c) A becomes a parent undertaking of B.

(2) The steps are—

(a) from less than 20% to 20% or more;

(b) from less than 30% to 30% or more;

(c) from less than 50% to 50% or more.

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Editorial Information

X6 The substitution of ss. 178-191G for ss. 178-191 on 21.3.2009 which involves the insertion of several new headings in Pt. XII gives rise to a change in the structure of this legislation on SLD which breaks the continuity of historical versions of the existing provisions which are now brought under those new headings.

[X7]183 Reducing or ceasing to have control

(1) For the purposes of this Part, a person ("A") reduces control over a UK authorised person ("B") whenever—

(a) the percentage of shares which A holds in B or in a parent undertaking of B ("P") decreases by any of the steps mentioned in subsection (2);

(b) the percentage of voting power which A holds in B or P decreases by any of the steps mentioned in subsection (2); or

(c) A ceases to be a parent undertaking of B.

(2) The steps are—

(a) from 50% or more to less than 50%;

(b) from 30% or more to less than 30%;

(c) from 20% or more to less than 20%.

(3) For the purposes of this Part, a person ("A") ceases to have control over a UK authorised person ("B") if A ceases to be in the position of holding—

(a) 10% or more of the shares in B or in a parent undertaking of B ("P");

(b) 10% or more of the voting power in B or P; or

(c) shares or voting power in B or P as a result of which A is able to exercise significant influence over the management of B.

Editorial Information

X7 The substitution of ss. 178-191G for ss. 178-191 on 21.3.2009 which involves the insertion of several new headings in Pt. XII gives rise to a change in the structure of this legislation on SLD which breaks the continuity of historical versions of the existing provisions which are now brought under those new headings.

[X8]184 Disregarded holdings

(1) For the purposes of sections 181 to 183, shares and voting power that a person holds in a UK authorised person ("B") or in a parent undertaking of B ("P") are disregarded in the following circumstances.

(2) Shares held only for the purposes of clearing and settling within a short settlement cycle are disregarded.

(3) Shares held by a custodian or its nominee in a custodian capacity are disregarded, provided that the custodian or nominee is only able to exercise voting power represented by the shares in accordance with instructions given in writing.

(4) Shares representing no more than 5% of the total voting power in B or P held by an investment firm are disregarded, provided that it—

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(a) holds the shares in the capacity of a market maker (as defined in **[**F1411article 2.1.6 of the markets in financial instruments regulation**]**);

[F1412(b) has a Part 4A permission to carry on one or more investment services and activities;**]**

(c) neither intervenes in the management of B or P nor exerts any influence on B or P to buy the shares or back the share price.

(5) Shares held by a **[**F1413qualifying credit institution**]** or investment firm in its trading book are disregarded, provided that—

(a) the shares represent no more than 5% of the total voting power in B or P; and

(b) F1414... the voting power is not used to intervene in the management of B or P.

(6) Shares held by a **[**F1415qualifying credit institution**]** or an investment firm are disregarded, provided that—

(a) the shares are held as a result of performing the investment services and activities of—

(i) underwriting a share issue; or

(ii) placing shares on a firm commitment basis F1416...; and

(b) the **[**F1415qualifying credit institution**]** or investment firm—

(i) does not exercise voting power represented by the shares or otherwise intervene in the management of the issuer; and

(ii) retains the holding for a period of less than one year.

(7) Where a management company (as defined in **[**F1417section 237(2)**]**) and its parent undertaking both hold shares or voting power, each may disregard holdings of the other, provided that each exercises its voting power independently of the other.

(8) But subsection (7) does not apply if the management company—

[F1418(a) manages holdings for its parent undertaking or a controlled undertaking of the parent undertaking;**]**

(b) has no discretion as to the exercise of the voting power attached to such holdings; and

(c) may only exercise the voting power in relation to such holdings under direct or indirect instruction from—

(i) the parent undertaking; or

[F1419(ii) a controlled undertaking of the parent undertaking.**]**

(9) Where an investment firm and its parent undertaking both hold shares or voting power, the parent undertaking may disregard holdings managed by the investment firm on a client by client basis and the investment firm may disregard holdings of the parent undertaking, provided that the investment firm—

(a) has permission to provide portfolio management;

(b) exercises its voting power independently from the parent undertaking; and

(c) may only exercise the voting power under instructions given in writing, or has appropriate mechanisms in place for ensuring that individual portfolio management services are conducted independently of any other services.

[Shares acquired for stabilisation purposes in accordance with **[**F1421the market abuse F1420(9A) regulation and the Commission Delegated Regulation (EU) No. 1052/2016 of 8 March 2016 supplementing Regulation (EU) No. 596/2014 of the European Parliament and the Council with regard to the regulatory technical standards for conditions applicable to buy-back programmes and stabilisation measures**]** are disregarded, provided that the

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voting power attached to those shares is not exercised or otherwise used to intervene in the management of B or P.**]**

[For the purposes of this section, an undertaking is a controlled undertaking of the [F1422](10) parent undertaking if it is controlled by the parent undertaking; and for this purpose the question of whether one undertaking controls another is to be determined in accordance with section 89J(4) and (5).**]**

Editorial Information

X8 The substitution of ss. 178-191G for ss. 178-191 on 21.3.2009 which involves the insertion of several new headings in Pt. XII gives rise to a change in the structure of this legislation on SLD which breaks the continuity of historical versions of the existing provisions which are now brought under those new headings.

Textual Amendments

F1411 Words in s. 184(4)(a) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **49(a)(i)**; 2020 c. 1, Sch. 5 para. 1(1)

F1412 S. 184(4)(b) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **49(a)(ii)**; 2020 c. 1, Sch. 5 para. 1(1)

F1413 Words in s. 184(5) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **49(b)**; 2020 c. 1, Sch. 5 para. 1(1)

F1414 Words in s. 184(5)(b) omitted (1.11.2015 for specified purposes, 31.5.2016 in so far as not already in force) by virtue of The Transparency Regulations 2015 (S.I. 2015/1755), regs. 1(2)(4), **6(1)(a)**

F1415 Words in s. 184(6) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **49(c)(i)**; 2020 c. 1, Sch. 5 para. 1(1)

F1416 Words in s. 184(6)(a)(ii) omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **49(c)(ii)**; 2020 c. 1, Sch. 5 para. 1(1)

F1417 Words in s. 184(7) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **49(d)**; 2020 c. 1, Sch. 5 para. 1(1)

F1418 S. 184(8)(a) substituted (1.1.2014) by The Capital Requirements Regulations 2013 (S.I. 2013/3115), reg. 1(2), **Sch. 2 para. 10(a)**

F1419 S. 184(8)(c)(ii) substituted (1.1.2014) by The Capital Requirements Regulations 2013 (S.I. 2013/3115), reg. 1(2), **Sch. 2 para. 10(b)**

F1420 S. 184(9A) inserted (1.11.2015 for specified purposes, 31.5.2016 in so far as not already in force) by The Transparency Regulations 2015 (S.I. 2015/1755), regs. 1(2)(4), **6(1)(b)**

F1421 Words in s. 184(9A) substituted (23.3.2019) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(2)(a), **49(e)**

F1422 S. 184(10) inserted (1.1.2014) by The Capital Requirements Regulations 2013 (S.I. 2013/3115), reg. 1(2), **Sch. 2 para. 10(c)**

Assessment procedure

[X9]185 Assessment: general

(1) Where the **[**[F1407]appropriate regulator**]** receives a section 178 notice, it must—

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(a) determine whether to approve the acquisition to which it relates unconditionally; or

(b) propose to—

(i) approve the acquisition subject to conditions (see section 187); or

(ii) object to the acquisition.

(2) The **[**F1407appropriate regulator**]** must—

(a) consider the suitability of the section 178 notice-giver and the financial soundness of the acquisition in order to ensure the sound and prudent management of the UK authorised person;

(b) have regard to the likely influence that the section 178 notice-giver will have on the UK authorised person; and

(c) disregard the economic needs of the market.

(3) The **[**F1407appropriate regulator**]** may only object to an acquisition—

(a) if there are reasonable grounds for doing so on the basis of the matters set out in section 186; or

(b) if the information provided by the section 178 notice-giver is incomplete.

Editorial Information

X9 The substitution of ss. 178-191G for ss. 178-191 on 21.3.2009 which involves the insertion of several new headings in Pt. XII gives rise to a change in the structure of this legislation on SLD which breaks the continuity of historical versions of the existing provisions which are now brought under those new headings.

Textual Amendments

F1407 Words in Pt. 12 substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 26(2)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

X10186 Assessment criteria

The matters specified in section 185(3)(a) are—

(a) the reputation of the section 178 notice-giver;

(b) the reputation **[**F1423, knowledge, skills**]** and experience of any person who will direct the business of the UK authorised person as a result of the proposed acquisition;

(c) the financial soundness of the section 178 notice-giver, in particular in relation to the type of business that the UK authorised person pursues or envisages pursuing;

(d) whether the UK authorised person will be able to comply with its prudential requirements (including the threshold conditions in relation to all of the regulated activities for which it has or will have permission);

(e) if the UK authorised person is to become part of a group as a result of the acquisition, whether that group has a structure which makes it possible to—

(i) exercise effective supervision;

(ii) exchange information among regulators; and

(iii) determine the allocation of responsibility among regulators; and

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(f) whether there are reasonable grounds to suspect that in connection with the proposed acquisition—

(i) money laundering or terrorist financing (**[**F1424as defined in regulation 3(1) of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017**]**) is being or has been committed or attempted; or

(ii) the risk of such activity could increase.

Editorial Information

X10 The substitution of ss. 178-191G for ss. 178-191 on 21.3.2009 which involves the insertion of several new headings in Pt. XII gives rise to a change in the structure of this legislation on SLD which breaks the continuity of historical versions of the existing provisions which are now brought under those new headings.

Textual Amendments

F1423 Words in s. 186(b) inserted (1.1.2014) by The Capital Requirements Regulations 2013 (S.I. 2013/3115), reg. 1(2), **Sch. 2 para. 11**

F1424 Words in s. 186(f)(i) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **50**; 2020 c. 1, Sch. 5 para. 1(1)

X11187 Approval with conditions

(1) The **[**F1407appropriate regulator**]** may impose conditions on its approval of an acquisition.

[F1425(2) The appropriate regulator may only impose conditions where—

(a) if it did not impose those conditions, it would propose to object to the acquisition, F1426...

[F1427(aa) it appears to that regulator that it is desirable to impose those conditions in order to advance any of that regulator's objectives (subject to section 185(2)(c)), or**]**

(b) it is required to do so by a direction under section 187A(3)(b) or section 187B(3).**]**

(3) The **[**F1407appropriate regulator**]** may not impose conditions requiring a particular level of holding to be acquired.

(4) The **[**F1407appropriate regulator**]** may vary or cancel the conditions.

Editorial Information

X11 The substitution of ss. 178-191G for ss. 178-191 on 21.3.2009 which involves the insertion of several new headings in Pt. XII gives rise to a change in the structure of this legislation on SLD which breaks the continuity of historical versions of the existing provisions which are now brought under those new headings.

Textual Amendments

F1407 Words in Pt. 12 substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 26(2)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

F1425 S. 187(2) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 26(5)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1426 Word in s. 187(2)(a) omitted (29.8.2023) by virtue of Financial Services and Markets Act 2023 (c. 29), **ss. 61(a)**, 86(2)(g) (with savings in The Financial Services and Markets Act 2023 (Commencement No. 2 and Transitional Provisions) Regulations 2023 (S.I. 2023/936), **reg. 6**)

F1427 S. 187(2)(aa) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 61(b)**, 86(2)(g) (with savings in The Financial Services and Markets Act 2023 (Commencement No. 2 and Transitional Provisions) Regulations 2023 (S.I. 2023/936), **reg. 6**)

[F1428 187A Assessment: consultation by PRA with FCA

(1) The PRA must consult the FCA before acting under section 185.

(2) The FCA may make representations to the PRA in relation to any of the matters set out in sections 185(2) and 186.

(3) If the FCA considers that on the basis of the matters set out in section 186(f) there are reasonable grounds to object to the acquisition, the FCA may—

(a) direct the PRA to object to the acquisition, or

(b) direct the PRA not to approve the acquisition unless it does so subject to conditions specified in the direction (with or without other conditions).

(4) Before giving a direction under subsection (3), the FCA must notify the PRA of its proposal to do so.

(5) In order to comply with the obligation under subsection (1), the PRA must provide the FCA with—

(a) copies of—

(i) the section 178 notice, and

(ii) any document included with that notice,

(b) any further information provided pursuant to section 190, and

(c) any other information in the possession of the PRA which—

(i) in the opinion of the PRA, is relevant to the application, or

(ii) is reasonably requested by the FCA.

F1429 **[** (5A) Where the PRA notifies the FCA that it **[**F1430 is required by section 189(1ZB)**]** to act in a timely manner, the FCA may take action under subsection (2), (3) or (4) after the time it receives that notification only if that action is taken as soon as reasonably practicable after that time.**]**

(6) If the PRA acts under section 185(1)(b), it must indicate to the section 178 notice-giver any representations or directions received from the FCA.

(7) Directions given by the FCA under this section are subject to any directions given to the FCA under section 3I or 3J.

Textual Amendments

F1428 Ss. 187A-187C inserted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 26(6)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1429 S. 187A(5A) inserted (1.1.2015) by The Bank Recovery and Resolution Order 2014 (S.I. 2014/3329), arts. 1(2), **117**

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

F1430 Words in s. 187A(5A) substituted (1.3.2017) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 38** (with Sch. 3); S.I. 2017/43, reg. 2(g)

187B Assessment: consultation by FCA with PRA

(1) The FCA must consult the PRA before acting under section 185 if—

(a) the UK authorised person to which the section 178 notice relates has as a member of its immediate group a PRA-authorised person, or

(b) the section 178 notice-giver is a PRA-authorised person.

(2) The PRA may make representations to the FCA in relation to any of the matters set out in sections 185(2) and 186.

(3) If the PRA considers that on the basis of relevant matters there are reasonable grounds to object to the acquisition, the PRA may direct the FCA not to approve the acquisition unless it does so subject to conditions specified in the direction (with or without other conditions).

(4) In subsection (3) "relevant matters"—

(a) means the matters in paragraphs (d) and (e)(i) of section 186, and

(b) in a case falling within subsection (1)(b) of this section, also includes the matter in paragraph (c) of section 186.

(5) In order to comply with the obligation under subsection (1), the FCA must provide the PRA with—

(a) copies of—

(i) the section 178 notice, and

(ii) any document included with that notice,

(b) any further information provided pursuant to section 190, and

(c) any other information in the possession of the FCA which—

(i) in the opinion of the FCA, is relevant to the application, or

(ii) is reasonably requested by the PRA.

(6) If the FCA acts under section 185(1)(b), it must indicate to the section 178 notice-giver any representations or directions received from the PRA.

Textual Amendments

F1428 Ss. 187A-187C inserted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 26(6)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

187C Variation etc of conditions

(1) Where the PRA has imposed conditions required by a direction given by the FCA under section 187A(3)—

(a) the FCA may direct the PRA to exercise its power under section 187(4) to vary or cancel any of those conditions;

(b) the PRA must consult the FCA before it exercises that power in relation to those conditions otherwise than in accordance with a direction under paragraph (a).

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(2) Where the FCA has imposed conditions required by a direction given by the PRA under section 187B(3)—

(a) the PRA may direct the FCA to exercise its power under section 187(4) to vary or cancel any of those conditions;

(b) the FCA must consult the PRA before it exercises that power in relation to those conditions otherwise than in accordance with a direction under paragraph (a).**]**

Textual Amendments

F1428 Ss. 187A-187C inserted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 26(6)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1431 X12 188 Assessment: consultation with EC competent authorities

. . . . . .

Editorial Information

X12 The substitution of ss. 178-191G for ss. 178-191 on 21.3.2009 which involves the insertion of several new headings in Pt. XII gives rise to a change in the structure of this legislation on SLD which breaks the continuity of historical versions of the existing provisions which are now brought under those new headings.

Textual Amendments

F1431 S. 188 omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **51**; 2020 c. 1, Sch. 5 para. 1(1)

X13 189 Assessment: Procedure

(1) The **[**F1407 appropriate regulator**]** must act under section 185 within a period of 60 working days beginning with the day on which the **[**F1407 appropriate regulator**]** acknowledges receipt of the section 178 notice ("the assessment period").

F1432 **[** **[**F1433 Where the appropriate regulator is the FCA and**]** the section 178 notice relates (1A) to an acquisition or increase of control over a **[**F1434 qualifying credit institution**]**, investment firm or banking group company, the Bank of England, acting in the exercise of its functions under sections 6A to 6C of the Banking Act 2009 or under the special resolution regime under Part 1 of that Act, may direct the appropriate regulator to act under this Part in a timely manner, and to shorten the assessment period so far as reasonably practicable.

F1435 **[** Where the appropriate regulator is the PRA and— (1ZB)

(a) the section 178 notice relates to an acquisition or increase of control over a **[**F1436 qualifying credit institution**]**, investment firm or banking group company, and

(b) the **[**F1437 qualifying credit institution**]**, investment firm or banking group company is one in relation to which the Bank of England is exercising its functions under sections 6A to 6C of the Banking Act 2009 or the special resolution regime under Part 1 of that Act,

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the PRA must act under this Part in a timely manner, and shorten the assessment period so far as reasonably practicable.**]**

(1B) In **[**[F1438] subsections (1A) and (1ZB)**]** —

[F1439] …

"banking group company" has the meaning given in section 81D of **[**[F1440]the Banking Act 2009**].]**

(2) The assessment period may be interrupted, no more than once, in accordance with section 190.

(3) The **[**[F1407]appropriate regulator**]** must inform the section 178 notice-giver in writing of—

(a) the duration of the assessment period;

(b) its expiry date; and

(c) any change to the expiry date by virtue of section 190.

(4) The **[**[F1407]appropriate regulator**]** must, within two working days of acting under section 185 (and in any event no later than the expiry date of the assessment period)—

(a) notify the section 178 notice-giver that it has determined to approve the acquisition unconditionally; or

(b) give a warning notice stating that it proposes to—

(i) approve the acquisition subject to conditions; or

(ii) object to the acquisition.

(5) Where the **[**[F1407]appropriate regulator**]** gives a warning notice stating that it proposes to approve the acquisition subject to conditions—

(a) it must, in the warning notice, specify those conditions; and

(b) the conditions take effect as interim conditions.

(6) **[**[F1441]Unless section 190A applies**]** the **[**[F1407]appropriate regulator**]** is treated as having approved the acquisition if, at the expiry of the assessment period, it has neither—

(a) given notice under subsection (4); nor

(b) informed the section 178 notice-giver that the section 178 notice is incomplete.

(7) If the **[**[F1407]appropriate regulator**]** decides to approve an acquisition subject to conditions or to object to an acquisition it must give the section 178 notice-giver a decision notice.

(8) Following receipt of a decision notice under this section, the section 178 notice-giver may refer the **[**[F1407]appropriate regulator's**]** decision to the Tribunal.

Editorial Information

X13 The substitution of ss. 178-191G for ss. 178-191 on 21.3.2009 which involves the insertion of several new headings in Pt. XII gives rise to a change in the structure of this legislation on SLD which breaks the continuity of historical versions of the existing provisions which are now brought under those new headings.

Textual Amendments

F1407 Words in Pt. 12 substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 26(2)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

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F1432 S. 189(1A)(1B) inserted (1.1.2015) by The Bank Recovery and Resolution Order 2014 (S.I. 2014/3329), arts. 1(2), **118**

F1433 Words in s. 189(1A) substituted (1.3.2017) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 39(2)** (with Sch. 3); S.I. 2017/43, reg. 2(g)

F1434 Words in s. 189(1A) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **52**; 2020 c. 1, Sch. 5 para. 1(1)

F1435 S. 189(1ZB) inserted (1.3.2017) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 39(3)** (with Sch. 3); S.I. 2017/43, reg. 2(g)

F1436 Words in s. 189(1ZB)(a) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **52**; 2020 c. 1, Sch. 5 para. 1(1)

F1437 Words in s. 189(1ZB)(b) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **52**; 2020 c. 1, Sch. 5 para. 1(1)

F1438 Words in s. 189(1B) substituted (1.3.2017) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 39(4)(a)** (with Sch. 3); S.I. 2017/43, reg. 2(g)

F1439 Words in s. 189(1B) omitted (1.3.2017) by virtue of Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 39(4)(b)** (with Sch. 3); S.I. 2017/43, reg. 2(g)

F1440 Words in s. 189(1B) substituted (1.3.2017) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 39(4)(c)** (with Sch. 3); S.I. 2017/43, reg. 2(g)

F1441 Words in s. 189(6) inserted (16.12.2016) by The Bank Recovery and Resolution Order 2016 (S.I. 2016/1239), arts. 1(2), **33(1)**

X14 190 Requests for further information

(1) The **[**F1407appropriate regulator**]** may, no later than the 50th working day of the assessment period, in writing ask the section 178 notice-giver to provide any further information necessary to complete its assessment.

F1442(1A) **[** But where a direction has been given by the Bank of England under section 189(1A) **[**F1443or section 189(1ZB) applies**]**, the appropriate regulator must, as soon as reasonably practicable, ask the section 178 notice-giver to provide any further information necessary to complete its assessment.**]**

(2) On the first occasion that the **[**F1407appropriate regulator**]** asks for further information, the assessment period is interrupted from the date of the request until the date the **[**F1407appropriate regulator**]** receives the requested information ("the interruption period").

(3) But the interruption period may not exceed 20 working days, unless subsection (4) applies.

(4) The interruption period may not exceed 30 working days if the notice-giver—

(a) is situated or regulated outside the **[**F1444United Kingdom or Gibraltar**]**; or

[F1445(b) is not subject to supervision under the laws of the United Kingdom (or any part of the United Kingdom) or of Gibraltar relied on immediately before IP completion day to implement—

(i) the UCITS directive;

(ii) the Solvency 2 Directive;

(iii) the markets in financial instruments directive; or

(iv) the capital requirements directive,

including rules made by the appropriate regulator under this Act, in force on IP completion day, and, as amended from to time, in all other cases.**]**

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(5) The **[**F1407appropriate regulator**]** may make further requests for information (but a further request does not result in a further interruption of the assessment period).

(6) The **[**F1407appropriate regulator**]** must acknowledge in writing receipt of further information before the end of the second working day following receipt.

Editorial Information

X14 The substitution of ss. 178-191G for ss. 178-191 on 21.3.2009 which involves the insertion of several new headings in Pt. XII gives rise to a change in the structure of this legislation on SLD which breaks the continuity of historical versions of the existing provisions which are now brought under those new headings.

Textual Amendments

F1407 Words in Pt. 12 substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 26(2)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1442 S. 190(1A) inserted (1.1.2015) by The Bank Recovery and Resolution Order 2014 (S.I. 2014/3329), arts. 1(2), **119**

F1443 Words in s. 190(1A) inserted (1.3.2017) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 40** (with Sch. 3); S.I. 2017/43, reg. 2(g)

F1444 Words in s. 190(4)(a) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **53(a)** (as amended by S.I. 2019/680, regs. 1(3), **9(3)(a)**); 2020 c. 1, **Sch. 5 para. 1(1)**

F1445 S. 190(4)(b) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **53(b)** (as amended by S.I. 2019/680, regs. 1(3), **9(3)(b)** and S.I. 2020/1301, regs. 1, 3, **Sch. para. 33(f)**); 2020 c. 1, **Sch. 5 para. 1(1)**

[F1446**190A.** Assessment and resolution

(1) This section applies if—

(a) the appropriate regulator receives a section 178 notice in relation to a **[**F1447qualifying credit institution**]**, investment firm or banking group company,

(b) as a result of a direction under section 189(1A) or the application of section 189(1ZB), the appropriate regulator is required to act under this Part in a timely manner in relation to that notice, and

(c) the appropriate regulator does not complete the assessment required by section 185 before a relevant transfer instrument has been made by the Bank of England which transfers shares issued by, or voting power in, that **[**F1448qualifying credit institution**]**, investment firm or banking group company.

(2) The transfer of shares or voting takes effect in accordance with the terms of the relevant transfer instrument, but the right of the person who acquires shares under that instrument ("the acquirer") to exercise the voting power represented by those shares is suspended.

(3) During the suspension, the voting power represented by the shares in question may be exercised by the Bank (and only by the Bank).

(4) If the appropriate regulator issues a decision notice under section 189(7) objecting to the acquisition, the Bank may direct the acquirer to sell the shares within a period specified by the Bank in the direction ("the sale period").

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(5) In determining the sale period, the Bank must take account of prevailing market conditions.

(6) The suspension provided for in subsection (2) ends—

(a) if the appropriate regulator gives notice under section 189(4)(a) or (b)(i) that it approves the acquisition, on the date of that notice, or

(b) if the Bank gives a direction under subsection (4), on the earlier of the day on which the sale period ends and the day on which the shares are sold.

(7) In this section a "relevant transfer instrument" means an instrument made by the Bank acting in the exercise of its functions under sections 6A to 6C of the Banking Act 2009 or under the special resolution regime under Part 1 of that Act, which transfers, or has the effect of transferring, shares issued by, or voting power in, the **[**F1449qualifying credit institution**]**, investment firm or banking group company.**]**

Textual Amendments

F1446 S. 190A inserted (16.12.2016) by The Bank Recovery and Resolution Order 2016 (S.I. 2016/1239), arts. 1(2), **33(2)**

F1447 Words in s. 190A(1)(a) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **54**; 2020 c. 1, Sch. 5 para. 1(1)

F1448 Words in s. 190A(1)(c) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **54**; 2020 c. 1, Sch. 5 para. 1(1)

F1449 Words in s. 190A(7) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **54**; 2020 c. 1, Sch. 5 para. 1(1)

X15191 Duration of approval

(1) Approval of an acquisition (whether granted unconditionally or subject to conditions) is effective for such period as the **[**F1407appropriate regulator**]** may specify in writing.

(2) Where the **[**F1407appropriate regulator**]** has specified a period under subsection (1), it may extend the period.

(3) Where the **[**F1407appropriate regulator**]** has not specified a period, the approval is effective for one year beginning with the date—

(a) of the notice given under section 189(4)(a) or (b)(i);

(b) on which the **[**F1407appropriate regulator**]** is treated as having given approval under section 189(6); or

(c) of a decision on a reference to the Tribunal which results in the person receiving approval.

Editorial Information

X15 The substitution of ss. 178-191G for ss. 178-191 on 21.3.2009 which involves the insertion of several new headings in Pt. XII gives rise to a change in the structure of this legislation on SLD which breaks the continuity of historical versions of the existing provisions which are now brought under those new headings.

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Textual Amendments

F1407 Words in Pt. 12 substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 26(2)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

Enforcement procedures

191A Objection by the [F1407 appropriate regulator]

(1) The **[**F1407 appropriate regulator**]** may object to a person's control over a UK authorised person in any of the circumstances specified in subsection (2).

(2) The circumstances are that the **[**F1407 appropriate regulator**]** reasonably believes that—

(a) the person acquired or increased control without giving notice under section 178(1) in circumstances where notice was required;

(b) the person is in breach of a condition imposed under section 187; or

(c) there are grounds for objecting to control on the basis of the matters in section 186.

(3) The **[**F1407 appropriate regulator**]**—

(a) must take into account whether influence exercised by the person is likely to operate to the detriment of the sound and prudent management of the UK authorised person; and

(b) may take into account whether the person has co-operated with any information requests made or requirements imposed by the **[**F1407 appropriate regulator**]**.

(4) If the **[**F1407 appropriate regulator**]** proposes to object to a person's control over a UK authorised person, it must give that person a warning notice.

F1450 **[** (4A) Where the appropriate regulator is the PRA, it must consult the FCA before giving a warning notice under this section.

(4B) Where the appropriate regulator is the FCA, it must consult the PRA before giving a warning notice under this section if—

(a) the UK authorised person has as a member of its immediate group a PRA-authorised person, or

(b) the person to whom the warning notice is to be given is a PRA-authorised person.**]**

F1451 (5) . . . . . .

(6) If the **[**F1407 appropriate regulator**]** decides to object to a person's control over a UK authorised person, it must give that person a decision notice.

(7) A person to whom the **[**F1407 appropriate regulator**]** gives a decision notice under this section may refer the matter to the Tribunal.

Textual Amendments

F1407 Words in Pt. 12 substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 26(2)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

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F1450 S. 191A(4A)(4B) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 26(7)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1451 S. 191A(5) omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **55**; 2020 c. 1, Sch. 5 para. 1(1)

191B Restriction notices

(1) The **[**F1407appropriate regulator**]** may give notice in writing (a "restriction notice") to a person in the following circumstances.

(2) The circumstances are that—

(a) the person has control over a UK authorised person by virtue of holding shares or voting power; and

(b) in relation to the shares or voting power, the **[**F1407appropriate regulator**]** has given the person a warning notice or a decision notice under section 189 or 191A or a final notice which confirms a decision notice given under section 189 or 191A.

F1452 **[** (2A) Where the appropriate regulator is the PRA, it must consult the FCA before giving a restriction notice under this section.

(2B) Where the appropriate regulator is the FCA, it must consult the PRA before giving a restriction notice under this section if—

(a) the UK authorised person has as a member of its immediate group a PRA-authorised person, or

(b) the person to whom the restriction notice is to be given is a PRA-authorised person.**]**

(3) In a restriction notice, the **[**F1407appropriate regulator**]** may direct that shares or voting power to which the notice relates are, until further notice, subject to one or more of the following restrictions—

(a) except by court order, an agreement to transfer or a transfer of any such shares or voting power or, in the case of unissued shares, any agreement to transfer or transfer of the right to be issued with them, is void;

(b) no voting power is to be exercisable;

(c) no further shares are to be issued in pursuance of any right of the holder of any such shares or voting power or in pursuance of any offer made to their holder;

(d) except in a liquidation, no payment is to be made of any sums due from the body corporate on any such shares, whether in respect of capital or otherwise.

F1453 **[** (3A) Subsection (3)(a) and (b) does not apply where the voting power represented by the shares in question is suspended under section 190A(2).**]**

(4) A restriction notice takes effect—

(a) immediately; or

(b) on such date as may be specified in the notice.

(5) A restriction notice does not extinguish rights which would be enjoyable but for the notice.

(6) A copy of the restriction notice must be served on—

(a) the UK authorised person in question; and

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(b) in the case of shares or voting power held in a parent undertaking of a UK authorised person, the parent undertaking.

(7) A person to whom the **[**F1407appropriate regulator**]** gives a restriction notice may refer the matter to the Tribunal.

Textual Amendments

F1407 Words in Pt. 12 substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 26(2)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1452 S. 191B(2A)(2B) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 26(8)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1453 S. 191B(3A) inserted (16.12.2016) by The Bank Recovery and Resolution Order 2016 (S.I. 2016/1239), arts. 1(2), **33(3)**

191C Orders for sale of shares

(1) The court may, on the application of the **[**F1407appropriate regulator**]**, order the sale of shares or the disposition of voting power in the following circumstances.

(2) The circumstances are that—

(a) a person has control over a UK authorised person by virtue of holding the shares or voting power; and

(b) the acquisition or continued holding of the shares or voting power by that person is in contravention of a final notice which confirms a decision notice given under section 189 or section 191A.

[F1454(2A) Where the appropriate regulator is the PRA, it must consult the FCA before making an application to the court under this section.

(2B) Where the appropriate regulator is the FCA, it must consult the PRA before making an application to the court under this section if—

(a) the UK authorised person has as a member of its immediate group a PRA-authorised person, or

(b) the person holding the shares or voting power is a PRA-authorised person.**]**

(3) Where the court orders the sale of shares or disposition of voting power it may—

(a) if a restriction notice has been given in relation to the shares or voting power, order that the restrictions cease to apply; and

(b) make any further order.

(4) Where the court makes an order under this section, it must take into account the level of holding that the person would have been entitled to acquire, or to continue to hold, without contravening the final notice.

(5) If shares are sold or voting power disposed of in pursuance of an order under this section, any proceeds, less the costs of the sale or disposition, must be paid into court for the benefit of the persons beneficially interested in them; and any such person may apply to the court for payment of a whole or part of the proceeds.

(6) The jurisdiction conferred by this section may be exercised by the High Court and the Court of Session.

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Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

[The appropriate regulator must obtain the consent of the Bank of England before F1455(7) making an application under this section in relation to shares if the Bank has the power to direct the sale of those shares under section 190A(4).

(8) The appropriate regulator may not make an application under this section in relation to shares if the Bank of England has given a direction for the sale of those shares under section 190A(4).**]**

Textual Amendments

F1407 Words in Pt. 12 substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 26(2)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1454 S. 191C(2A)(2B) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 26(9)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1455 S. 191C(7)(8) inserted (16.12.2016) by The Bank Recovery and Resolution Order 2016 (S.I. 2016/1239), arts. 1(2), **33(4)**

Notice of reductions of control of UK authorised persons

191D Obligation to notify the [F1407appropriate regulator]: dispositions of control

(1) A person who decides to reduce or cease to have control over a UK authorised person must give the **[**F1407appropriate regulator**]** notice in writing before making the disposition.

[The PRA must give the FCA a copy of any notice it receives under this section.
F1456(1A)

(1B) The FCA must give the PRA a copy of any notice it receives under this section which—

(a) relates to a UK authorised person who has as a member of its immediate group a PRA-authorised person, or

(b) is given by a PRA-authorised person.**]**

(2) For the purposes of calculations relating to this section, the holding of shares or voting power by a person ("A1") includes any shares or voting power held by another ("A2") if A1 and A2 are acting in concert.

Textual Amendments

F1407 Words in Pt. 12 substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 26(2)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1456 S. 191D(1A)(1B) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 26(10)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

191E Requirements for notices under section 191D

(1) A notice under section 191D must be in such form, include such information and be accompanied by such documents as the **[**F1407appropriate regulator**]** may reasonably require.

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(2) **[**F1457Each regulator**]** must publish a list of its requirements as to the form, information and accompanying documents for a notice under section 191D.

(3) The **[**F1407appropriate regulator**]** may impose different requirements for different cases and may vary or waive requirements in particular cases.

Textual Amendments

F1407 Words in Pt. 12 substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 26(2)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1457 Words in s. 191E(2) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 26(11)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

Offences

191F Offences under this Part

(1) A person who fails to comply with an obligation to notify the **[**F1407appropriate regulator**]** under section 178(1) or 191D(1) is guilty of an offence.

(2) A person who gives notice to the **[**F1407appropriate regulator**]** under section 178(1) and makes the acquisition to which the notice relates before the expiry date of the assessment period is guilty of an offence unless the **[**F1407appropriate regulator**]** has approved the acquisition or given a warning notice under section 189(4)(b)(i) **[**F1458or section 190A applies**]**.

(3) A person who contravenes an interim condition in a warning notice given under section 189(4)(b)(i) or a condition in a decision notice given under section 189(7) or a final notice which confirms a decision notice under that section is guilty of an offence.

(4) A person who makes an acquisition in contravention of a warning notice given under section 189(4)(b)(ii) or a decision notice given under section 189(7) or a final notice which confirms a decision notice under that section is guilty of an offence.

[F1459(4A) A person who fails to comply with a direction given by the Bank of England under section 190A(4) is guilty of an offence.**]**

(5) A person who makes an acquisition after the **[**F1407appropriate regulator's**]** approval for the acquisition has ceased to be effective by virtue of section 191 is guilty of an offence.

(6) A person who provides information to the **[**F1407appropriate regulator**]** which is false in a material particular is guilty of an offence.

(7) A person who breaches a direction contained in a restriction notice given under section 191B is guilty of an offence.

(8) A person guilty of an offence under subsection (1) to (3) or (5) to (7) is liable—

(a) on summary conviction to a fine not exceeding the statutory maximum; or

(b) on conviction on indictment, to a fine.

(9) A person guilty of an offence under subsection (4) **[**F1460or (4A)**]** is liable—

(a) on summary conviction, to a fine not exceeding the statutory maximum; or

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(b) on conviction on indictment, to imprisonment for a term not exceeding two years or a fine, or both.

Textual Amendments

F1407 Words in Pt. 12 substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 26(2)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1458 Words in s. 191F(2) inserted (16.12.2016) by The Bank Recovery and Resolution Order 2016 (S.I. 2016/1239), arts. 1(2), **33(5)(a)**

F1459 S. 191F(4A) inserted (16.12.2016) by The Bank Recovery and Resolution Order 2016 (S.I. 2016/1239), arts. 1(2), **33(5)(b)**

F1460 Words in s. 191F(9) inserted (16.12.2016) by The Bank Recovery and Resolution Order 2016 (S.I. 2016/1239), arts. 1(2), **33(5)(c)**

Interpretation

191G Interpretation

(1) In this Part—

"acquisition" means the acquisition of control or of an increase in control over a UK authorised person;

[F1461"the appropriate regulator" is to be read in accordance with section 178(2A);**]**

F1462...

[F1463"qualifying credit institution" includes a credit institution which is authorised under the law of Gibraltar relied on immediately before IP completion day to implement the capital requirements directive.**]**

"shares" has the same meaning as in section 422;

"UK authorised person" means an authorised person who—

(a) is a body incorporated in, or an unincorporated association formed under the law of, any part of the United Kingdom; and

(b) is not a person authorised as a result of paragraph 1 of Schedule 5 **[**F1464, or a person treated as having a Part 4A permission to carry on a regulated activity by virtue of regulation 71 of the Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019**]**; and

"voting power" has the same meaning as in section 422.

(2) For the purposes of this Part, a "working day" is a day other than—

(a) a Saturday or a Sunday; or

(b) a day which is a bank holiday in England and Wales under the M13Banking and Financial Dealings Act 1971.**]**

Textual Amendments

F1461 Words in s. 191G(1) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 26(12)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1462 Words in s. 191G(1) omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **56(a)**; 2020 c. 1, Sch. 5 para. 1(1)

Status: *This version of this Act contains provisions that are prospective.*
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F1463 Words in s. 191G(1) inserted (31.12.2020) by S.I. 2019/632, **reg. 56(c)** (as inserted by The Gibraltar (Miscellaneous Amendments) (EU Exit) Regulations 2019 (S.I. 2019/680), regs. 1(3), **9(4)** (as amended by S.I. 2020/1301, regs. 1, 3, **Sch. para. 40(d)(i)**); 2020 c. 1, **Sch. 5 para. 1(1)**)

F1464 Words in s. 191G(1) inserted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **56(b)**; 2020 c. 1, Sch. 5 para. 1(1)

Marginal Citations

M13 1971 c.80.

Miscellaneous

192 Power to change definitions of control etc.

The Treasury may by order—

(a) provide for exemptions from the obligations to notify imposed by sections 178 and **[**F1465191D**]**;

(b) amend section **[**F1466181**]** by varying, or removing, any of the cases in which a person is treated as **[**F1467acquiring**]** control over a UK authorised person or by adding a case;

(c) amend section **[**F1468182**]** by varying, or removing, any of the cases in which a person is treated as increasing control over a UK authorised person or by adding a case;

(d) amend section **[**F1469183**]** by varying, or removing, any of the cases in which a person is treated as **[**F1470reducing or ceasing to have**]** his control over a UK authorised person or by adding a case;

(e) amend section 422 by varying, or removing, any of the cases in which a person is treated as being a controller of a person or by adding a case.

Textual Amendments

F1465 Words in s. 192(a) substituted (21.3.2009) by The Financial Services and Markets Act 2000 (Controllers) Regulations 2009 (S.I. 2009/534), **reg. 4(a)**

F1466 Words in s. 192(b) substituted (21.3.2009) by The Financial Services and Markets Act 2000 (Controllers) Regulations 2009 (S.I. 2009/534), **reg. 4(b)(i)**

F1467 Word in s. 192(b) substituted (21.3.2009) by The Financial Services and Markets Act 2000 (Controllers) Regulations 2009 (S.I. 2009/534), **reg. 4(b)(ii)**

F1468 Words in s. 192(c) substituted (21.3.2009) by The Financial Services and Markets Act 2000 (Controllers) Regulations 2009 (S.I. 2009/534), **reg. 4(c)**

F1469 Words in s. 192(d) substituted (21.3.2009) by The Financial Services and Markets Act 2000 (Controllers) Regulations 2009 (S.I. 2009/534), **reg. 4(d)(i)**

F1470 Words in s. 192(d) substituted (21.3.2009) by The Financial Services and Markets Act 2000 (Controllers) Regulations 2009 (S.I. 2009/534), **reg. 4(d)(ii)**

Commencement Information

I27 S. 192 wholly in force at 1.12.2001; s. 192 not in force at Royal Assent see s. 431(2); s. 192(a) in force at 25.2.2001 by S.I. 2001/516, art. 2(a), **Sch. Pt. 1**; s. 192 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**

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[F1471PART 12A

POWERS EXERCISABLE IN RELATION TO PARENT UNDERTAKINGS

Textual Amendments

F1471 Pt. 12A inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), **ss. 27**, 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(b)(c), Sch. Pts. 2, 3; S.I. 2013/423, art. 3, Sch.

Introductory

192A Meaning of "qualifying authorised person"

(1) In this Part "qualifying authorised person" means an authorised person satisfying the following conditions.

(2) Condition A is that the authorised person is a body corporate incorporated in the United Kingdom.

(3) Condition B is that the authorised person is—

(a) a PRA-authorised person, or

(b) an investment firm.

(4) The Treasury may by order—

(a) amend subsection (3) so as to add to or restrict the descriptions of authorised person who can be qualifying authorised persons, or

(b) provide that while the order is in force subsection (3) is not to have effect.

(5) Except as provided by subsection (6), an order under subsection (4) is not to be made unless a draft of the order has been laid before Parliament and approved by a resolution of each House.

(6) An order under subsection (4) may be made without a draft having been laid and approved as mentioned in subsection (5) if the order contains a statement that the Treasury are of the opinion that, by reason of urgency, it is necessary to make the order without a draft being so laid and approved.

(7) An order under subsection (4) made in accordance with subsection (6)—

(a) must be laid before Parliament after being made, and

(b) ceases to have effect at the end of the relevant period unless before the end of that period the order is approved by a resolution of each House of Parliament (but without affecting anything done under the order or the power to make a new order).

(8) The "relevant period" is a period of 28 days beginning with the day on which the order is made.

(9) In calculating the relevant period no account is to be taken of any time during which Parliament is dissolved or prorogued or during which both Houses are adjourned for more than 4 days.

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192B Meaning of "qualifying parent undertaking"

(1) The parent undertaking of a qualifying authorised person or recognised UK investment exchange is for the purposes of this Part a "qualifying parent undertaking" if the following conditions are satisfied in relation to it.

(2) Condition A is that the parent undertaking is a body corporate which—

(a) is incorporated in the United Kingdom, or

(b) has a place of business in the United Kingdom.

(3) Condition B is that the parent undertaking is not itself an authorised person, a recognised investment exchange **[**F1472, a recognised clearing house or a recognised CSD**]**.

(4) Condition C is that the parent undertaking is a financial institution of a kind prescribed by the Treasury by order.

(5) "Recognised UK investment exchange" means a recognised investment exchange that is not an overseas investment exchange as defined in section 313(1).

(6) The Treasury may by order—

(a) amend subsection (4) by omitting the words "a financial institution", and

(b) make any amendment of subsection (2) that they consider desirable in connection with an amendment made under paragraph (a).

Textual Amendments

F1472 Words in s. 192B(3) substituted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **2(6)** (with regs. 7(4), 9(1))

Power of direction

192C Power to direct qualifying parent undertaking

(1) The appropriate regulator may give a direction under this section to a qualifying parent undertaking if either the general condition or the consolidated supervision condition is satisfied.

(2) The general condition is that the appropriate regulator considers that it is desirable to give the direction in order to advance—

(a) in the case of the FCA, one or more of its operational objectives;

(b) in the case of the PRA, any of its objectives.

(3) The consolidated supervision condition is that—

(a) the appropriate regulator is the competent authority for the purpose of consolidated supervision that is required, in relation to some or all of the members of the group of a qualifying authorised person, **[**F1473in pursuance of—

(i) any implementing provision contained in subordinate legislation (within the meaning of the Interpretation Act 1978) made otherwise than by any of the following—

(aa) statutory instrument, and

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(bb) statutory rule for the purposes of the Statutory Rules (Northern Ireland) Order 1979 (S.I. 1979/1573 (N.I. 12)); F1474...

(ii) any other implementing provision (as amended from time to time)**]**, F1475...

[Part 9C rules; F1476(iii)

(iv) CRR rules; or

(v) rules made under section 192XA, and**]**

(b) the appropriate regulator considers that the giving of the direction is desirable for the purpose of the effective consolidated supervision of the group.

[F1477(4) In subsection (3)(a)—

"consolidated supervision" includes supplemental supervision;

"implementing provision" has the same meaning as in section 3M.**]**

(5) In deciding whether to give a direction under this section, a regulator must have regard—

(a) to the desirability where practicable of exercising its powers in relation to authorised persons or recognised investment exchanges rather than its powers under this section, and

(b) to the principle that a burden or restriction which is imposed on a person should be proportionate to the benefits, considered in general terms, which are expected to result from its imposition.

(6) "The appropriate regulator" means—

(a) where a direction relates to a qualifying authorised person or recognised investment exchange who is a PRA-authorised person, the FCA or the PRA;

(b) in any other case, the FCA.

Textual Amendments

F1473 Words in s. 192C(3)(a) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **58(2)**; 2020 c. 1, Sch. 5 para. 1(1)

F1474 Word in s. 192C(3)(a)(i)(bb) omitted (17.8.2022) by virtue of The Financial Services Act 2021 (Prudential Regulation of Credit Institutions and Investment Firms) (Consequential Amendments and Miscellaneous Provisions) Regulations 2022 (S.I. 2022/838), regs. 1(2), **3(a)** (with regs. 24-26)

F1475 Word in s. 192C(3)(a)(ii) omitted (17.8.2022) by virtue of The Financial Services Act 2021 (Prudential Regulation of Credit Institutions and Investment Firms) (Consequential Amendments and Miscellaneous Provisions) Regulations 2022 (S.I. 2022/838), regs. 1(2), **3(b)** (with regs. 24-26)

F1476 S. 192C(3)(a)(iii)-(v) inserted (17.8.2022) by The Financial Services Act 2021 (Prudential Regulation of Credit Institutions and Investment Firms) (Consequential Amendments and Miscellaneous Provisions) Regulations 2022 (S.I. 2022/838), regs. 1(2), **3(c)** (with regs. 24-26)

F1477 S. 192C(4) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **58(3)**; 2020 c. 1, Sch. 5 para. 1(1)

192D Requirements that may be imposed

(1) A direction under section 192C may require the parent undertaking—

(a) to take specified action, or

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(b) to refrain from taking specified action.

(2) A requirement may be imposed by reference to the parent undertaking's relationship with—

(a) its group, or

(b) other members of its group.

(3) A requirement may refer to the past conduct of the parent undertaking (for example, by requiring the parent undertaking to review or take remedial action in respect of past conduct).

(4) A requirement imposed by the direction may be expressed to expire at the end of a specified period, but the imposition of a requirement that expires at the end of a specified period does not affect the power to give a further direction imposing a new requirement.

(5) The direction—

(a) may be revoked by the regulator which gave it by written notice to the body to which it is given, and

(b) ceases to be in force if the body to which it is given ceases to be a qualifying parent undertaking.

192E Direction: procedure

(1) If a regulator proposes to give a direction under section 192C, or gives such a direction with immediate effect, it must give written notice to—

(a) the parent undertaking to which the direction is given (or to be given) ("P"), and

(b) any authorised person or recognised investment exchange who will, in the opinion of the regulator, be significantly affected by the direction.

(2) In the following provisions of this section "notified person" means a person to whom notice under subsection (1) is given.

(3) A direction under section 192C takes effect—

(a) immediately, if the notice under subsection (1) states that that is the case,

(b) on such other date as may be specified in the notice, or

(c) if no date is specified in the notice, when the matter to which the notice relates is no longer open to review.

(4) A direction may be expressed to take effect immediately (or on a specified date) only if the regulator reasonably considers that it is necessary for the direction to take effect immediately (or on that date).

(5) The notice under subsection (1) must—

(a) give details of the direction,

(b) state the regulator's reasons for the direction and for its determination as to when the direction takes effect,

(c) inform the notified person that the person may make representations to the regulator within such period as may be specified in the notice (whether or not the notified person has referred the matter to the Tribunal), and

(d) inform the notified person of the person's right to refer the matter to the Tribunal.

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(6) The regulator may extend the period allowed under the notice for making representations.

(7) If, having considered any representations made by any notified person, the regulator decides—

(a) to give the direction proposed, or

(b) if the direction has been given, not to revoke the direction,

it must give each of the notified persons written notice.

(8) If, having considered any representations made by any notified person, the regulator decides—

(a) not to give the direction proposed,

(b) to give a different direction, or

(c) to revoke a direction which has effect,

it must give each of the notified persons written notice.

(9) A notice given under subsection (7) must inform the notified person of the person's right to refer the matter to the Tribunal.

(10) A notice under subsection (8)(b) must comply with subsection (5).

(11) If a notice informs the notified person of the person's right to refer a matter to the Tribunal, it must give an indication of the procedure on such a reference.

(12) For the purposes of subsection (3)(c), whether a matter is open to review is to be determined in accordance with section 391(8).

192F Consultation between regulators

(1) Before the PRA gives a notice under section 192E(1) or (8)(b), it must consult the FCA.

(2) Before the FCA gives a notice under section 192E(1) or (8)(b) in relation to the parent undertaking of a PRA-authorised person, the FCA must consult the PRA.

(3) Before **[**F1478the FCA**]** gives a notice under section 192E(1) or (8)(b) in relation to the parent undertaking of a recognised clearing house **[**F1479or a recognised CSD**]**, **[**F1480it**]** must consult the Bank of England.

Textual Amendments

F1478 Words in s. 192F(3) substituted (1.3.2017) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 41(a)** (with Sch. 3); S.I. 2017/43, reg. 2(g)

F1479 Words in s. 192F(3) inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **2(7)** (with regs. 7(4), 9(1))

F1480 Word in s. 192F(3) substituted (1.3.2017) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 41(b)** (with Sch. 3); S.I. 2017/43, reg. 2(g)

192G References to Tribunal

(1) A notified person who is aggrieved by the exercise by either regulator of its powers in relation to directions under section 192C may refer the matter to the Tribunal.

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(2) "Notified person" is to be read in accordance with subsection (2) of section 192E, except that it includes a person to whom a notice under subsection (1) of that section ought to have been given.

192H Statement of policy: directions under section 192C

(1) Each regulator must prepare and issue a statement of policy with respect to the giving of directions under section 192C.

(2) A regulator may at any time alter or replace a statement issued under this section.

(3) If a statement issued under this section is altered or replaced, the regulator must issue the altered or replacement statement.

(4) In exercising or deciding whether to exercise its power under section 192C in any particular case, a regulator must have regard to any statement published under this section and for the time being in force.

(5) A statement under this section must be published by the regulator concerned in the way appearing to the regulator to be best calculated to bring it to the attention of the public.

(6) A regulator may charge a reasonable fee for providing a person with a copy of a statement published under this section.

(7) A regulator must, without delay, give the Treasury a copy of any statement which the regulator publishes under this section.

192I Statement of policy relating to directions: procedure

(1) Before issuing a statement of policy under section 192H, a regulator ("the issuing regulator") must—

(a) consult the other regulator and **[**F1481, where the issuing regulator is the FCA,**]** the Bank of England, and

(b) publish a draft of the proposed statement in the way appearing to the issuing regulator to be best calculated to bring it to the attention of the public.

(2) The draft must be accompanied by notice that representations about the proposal may be made to the issuing regulator within a specified time.

(3) Before issuing the proposed statement, the issuing regulator must have regard to any representations made to it in accordance with subsection (2).

(4) If the issuing regulator issues the proposed statement it must publish an account, in general terms, of—

(a) the representations made to it in accordance with subsection (2), and

(b) its response to them.

(5) If the statement differs from the draft published under subsection (2) in a way which is, in the opinion of the issuing regulator, significant, the issuing regulator—

(a) must before issuing it consult the other regulator again, and

(b) must (in addition to complying with subsection (4)), publish details of the difference.

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Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

(6) The issuing regulator may charge a reasonable fee for providing a person with a draft published under subsection (1)(b).

(7) This section also applies to a proposal to alter or replace a statement.

Textual Amendments

F1481 Words in s. 192I(1)(a) inserted (1.3.2017) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 42** (with Sch. 3); S.I. 2017/43, reg. 2(g)

Rules requiring provision of information by parent undertakings

192J Rules requiring provision of information by parent undertakings

(1) The appropriate regulator may make rules requiring qualifying parent undertakings—

(a) to provide to the regulator information of a specified description;

(b) to produce to the regulator documents of a specified description.

(2) The rules may only specify a description of information or documents that is relevant to the exercise by the regulator of its functions.

(3) The rules may make provision—

(a) as to the time within which information must be provided or documents produced;

(b) about the form in which any information is to provided;

(c) about the place where any documents are to be produced;

(d) requiring information provided to be verified in a specified manner;

(e) requiring documents produced to be authenticated in a specified manner.

(4) "The appropriate regulator" means—

(a) in relation to the parent undertaking of a qualifying authorised person who is a PRA-authorised person, the FCA or the PRA;

(b) in any other case, the FCA.

[F1482 Rules applying to parent undertakings of ring-fenced bodies

Textual Amendments

F1482 Ss. 192JA, 192JB and cross-headings inserted (31.12.2014 for the insertion of s. 192JB, 21.4.2016 for the insertion of s. 192JA) by Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 133(1)**, 148(5); S.I. 2014/3160, art. 2(2); S.I. 2016/512, art. 2(b); S.I. 2018/1306, art. 2(l)

192JA Rules applying to parent undertakings of ring-fenced bodies

(1) The appropriate regulator may make such rules applying to bodies corporate falling within subsection (2) as appear to the regulator to be necessary or expedient for the group ring-fencing purposes.

(2) A body corporate falls within this subsection if—

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(a) it is incorporated in the United Kingdom or has a place of business in the United Kingdom,

(b) it is a parent undertaking of a ring-fenced body, and

(c) it is not itself an authorised person.

(3) The "group ring-fencing purposes" are the purposes set out in section 142H(4).

(4) "The appropriate regulator" means—

(a) in relation to the parent undertaking of a ring-fenced body that is a PRA-authorised person, the PRA;

(b) in any other case, the FCA.**]**

[*F1482**Rules requiring parent undertakings to facilitate resolution*

192JB Rules requiring parent undertakings to facilitate resolution

[F1483(1) The appropriate regulator may make rules requiring a qualifying parent undertaking to make arrangements that in the opinion of the regulator—

(a) would facilitate the preparation, maintenance, implementation and review of a recovery plan in relation to the group of the qualifying parent undertaking,

(b) are required in relation to the provision of financial support to other members of the group of the qualifying parent undertaking which encounter or are likely to encounter financial difficulties, or

(c) would allow or facilitate the exercise of the resolution powers in relation to the qualifying parent undertaking or any of its subsidiary undertakings in the event of a situation arising where all or part of the business of the parent undertaking or the subsidiary undertaking encounters or is likely to encounter financial difficulties.**]**

[A "recovery plan" in relation to a group, is a document which provides for measures to F1484(1A) be taken to achieve the stabilisation of the group as a whole, or any institution within the group, where the group or institution is in a situation of financial stress, in order to address or remove the causes of the financial stress and restore the financial position of the group or the institution.**]**

(2) The "resolution powers" are—

(a) the powers conferred on the Treasury and the Bank of England by or under Parts 1 to 3 of the Banking Act 2009, and

(b) any similar powers exercisable by an authority outside the United Kingdom.

(3) The arrangements that may be required include arrangements relating to—

(a) the issue of debt instruments by the parent undertaking;

(b) the provision to a subsidiary undertaking ("S") or a transferee by the parent undertaking, or by any other subsidiary undertaking of the parent undertaking, of such services and facilities as would be required to enable S or the transferee to operate the business, or part of the business, effectively.

[F1485(c) the review of a recovery plan by the **[**F1486PRA**]**;

(d) the entry by the parent undertaking into a group financial support agreement and provision of financial support by the parent undertaking in accordance with that agreement.**]**

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[F1487(4) In subsection (3)—

F1488(a) . . . . . .

[F1489(b) "group financial support agreement" means an agreement for the provision of financial support, by a member of the group of the parent undertaking, to an institution in the group which, at any time after the agreement is concluded, comes to need financial support;**]**

(c) "transferee" means a person to whom all or part of the business of the parent undertaking or the subsidiary undertaking could be transferred as a result of the exercise of the resolution powers.**]**

(5) "Debt instrument" has the same meaning as in section 142Y.

(6) "The appropriate regulator" means—

(a) where the subsidiary undertakings of the qualifying parent undertaking include a ring-fenced body that is a PRA-authorised person, the PRA;

(b) where the subsidiary undertakings of the qualifying parent undertaking include one or more PRA-authorised persons but do not include any authorised person that is not a PRA-authorised person, the PRA;

(c) where the subsidiary undertakings of the qualifying parent undertaking do not include any PRA-authorised person, the FCA;

(d) in any other case, the PRA or the FCA.**]**

Textual Amendments

F1483 S. 192JB(1) substituted (1.1.2015) by The Bank Recovery and Resolution Order 2014 (S.I. 2014/3329), arts. 1(2), **120(2)**

F1484 S. 192JB(1A) inserted (1.1.2015) by The Bank Recovery and Resolution Order 2014 (S.I. 2014/3329), arts. 1(2), **120(3)**

F1485 S. 192JB(3)(c)(d) inserted (1.1.2015) by The Bank Recovery and Resolution Order 2014 (S.I. 2014/3329), arts. 1(2), **120(4)**

F1486 Word in s. 192JB(3)(c) substituted (1.1.2022) by The Financial Services Act 2021 (Prudential Regulation of Credit Institutions and Investment Firms) (Consequential Amendments and Miscellaneous Provisions) Regulations 2021 (S.I. 2021/1376), regs. 1(3), **4(7)(a)**

F1487 S. 192JB(4) substituted (1.1.2015) by The Bank Recovery and Resolution Order 2014 (S.I. 2014/3329), arts. 1(2), **120(5)**

F1488 S. 192JB(4)(a) omitted (1.1.2022) by virtue of The Financial Services Act 2021 (Prudential Regulation of Credit Institutions and Investment Firms) (Consequential Amendments and Miscellaneous Provisions) Regulations 2021 (S.I. 2021/1376), regs. 1(3), **4(7)(b)**

F1489 S. 192JB(4)(b) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **59**; 2020 c. 1, Sch. 5 para. 1(1)

Failure to comply with direction or breach of rules

192K Power to impose penalty or issue censure

(1) This section applies if a regulator is satisfied that a person who is or has been a qualifying parent undertaking ("P") has contravened—

(a) a requirement of a direction given to P by that regulator under section 192C,

F1490 …

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(b) a provision of rules made by that regulator under section 192J **[**F1491or 192JB**]**, **[**F1492or**]**

[F1493(c) a requirement imposed by a **[**F1494qualifying provision**]** specified, or of a description specified, for the purposes of this subsection by the Treasury by order.**]**

[F1495(1A) This section also applies if a regulator is satisfied that a person ("P") who is or has been a parent undertaking of a ring-fenced body has contravened a provision of rules made by that regulator under section 192JA.**]**

(2) The regulator may impose a penalty of such amount as it considers appropriate on—

(a) P, or

(b) any person who was knowingly concerned in the contravention.

(3) The regulator may, instead of imposing a penalty on a person, publish a statement censuring the person.

[F1496(3A) The regulator may impose, for such period as it considers appropriate, restrictions (including a temporary ban) on the exercise by any member of the management body or senior management of, or other person who works for, a qualifying parent undertaking of any functions in a PRA-authorised person, an investment firm or a qualifying parent undertaking.

(3B) The regulator may only impose restrictions under subsection (3A) on a person who was, at any time, knowingly concerned in the contravention.**]**

(4) The regulator may not take action against a person under this section after the end of the limitation period unless, before the end of that period, it has given a warning notice to the person under section 192L.

(5) "The limitation period" means the period of 3 years beginning with the first day on which the regulator knew of the contravention.

(6) For this purpose a regulator is to be treated as knowing of a contravention if it has information from which the contravention can reasonably be inferred.

[F1497(7) In this section—

"management body" means the board of directors, or if there is no such board, the equivalent body responsible for the management of the undertaking concerned;

"member of the senior management" means a person who—

(a) exercises executive functions within a qualifying parent undertaking, and

(b) is responsible, and directly accountable to the management body, for the day to day management of that qualifying parent undertaking.

(8) A regulator which imposes a restriction on any person under subsection (3A) may—

(a) vary the restriction so as to reduce the period for which it has effect or otherwise to limit its effect, or

(b) cancel the restriction.**]**

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Textual Amendments

F1490 Word in s. 192K(1)(a) omitted (1.1.2015) by virtue of The Bank Recovery and Resolution Order 2014 (S.I. 2014/3329), arts. 1(2), **121(2)(a)**

F1491 Words in s. 192K(1) inserted (31.12.2014) by Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 133(2)(a)**, 148(5); S.I. 2014/3160, art. 2(1)(c)

F1492 Word in s. 192K(1)(b) inserted (1.1.2015) by The Bank Recovery and Resolution Order 2014 (S.I. 2014/3329), arts. 1(2), **121(2)(b)**

F1493 S. 192K(1)(c) inserted (1.1.2015) by The Bank Recovery and Resolution Order 2014 (S.I. 2014/3329), arts. 1(2), **121(2)(c)**

F1494 Words in s. 192K(1)(c) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **60**; 2020 c. 1, Sch. 5 para. 1(1)

F1495 S. 192K(1A) inserted (21.4.2016) by Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 133(2)(b)**, 148(5); S.I. 2016/512, art. 2(b)

F1496 S. 192K(3A)(3B) inserted (1.1.2015) by The Bank Recovery and Resolution Order 2014 (S.I. 2014/3329), arts. 1(2), **121(3)**

F1497 S. 192K(7)(8) inserted (1.1.2015) by The Bank Recovery and Resolution Order 2014 (S.I. 2014/3329), arts. 1(2), **121(4)**

192L Procedure and right to refer to Tribunal

(1) If a regulator proposes to take action against a person under section 192K, it must give the person a warning notice.

(2) A warning notice about a proposal to impose a penalty must state the amount of the penalty.

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

F1498 **[** (3A) A warning notice about a proposal to impose a restriction under section 192K(3A) must state—

(a) the terms of the restriction, and

(b) the period for which the restriction is to have effect.**]**

(4) If the regulator decides to take action against a person under section 192K, it must give the person a decision notice.

(5) A decision notice about the imposition of a penalty must state the amount of the penalty.

(6) A decision notice about the publication of a statement must set out the terms of the statement.

F1499 **[** (6B) A decision notice about the imposition of a restriction under section 192K(3A) must state—

(a) the terms of the restriction, and

(b) the period for which the restriction is to have effect.**]**

(7) If the regulator decides to take action against a person under section 192K, the person may refer the matter to the Tribunal.

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Textual Amendments

F1498 S. 192L(3A) inserted (1.1.2015) by The Bank Recovery and Resolution Order 2014 (S.I. 2014/3329), arts. 1(2), **122(2)**

F1499 S. 192L(6B) inserted (1.1.2015) by The Bank Recovery and Resolution Order 2014 (S.I. 2014/3329), arts. 1(2), **122(3)**

192M Duty on publication of statement

After a statement under section 192K(3) is published, the regulator must send a copy of the statement to—

(a) the person in respect of whom it is made, and

(b) any person to whom a copy of the decision notice was given under section 393(4).

192N Imposition of penalties under section 192K: statement of policy

(1) Each regulator must prepare and issue a statement of policy with respect to—

(a) the imposition of penalties under section 192K, and

(b) the amount of penalties under that section.

(2) A regulator's policy in determining what the amount of a penalty should be must include having regard to—

(a) the seriousness of the contravention,

(b) the extent to which the contravention was deliberate or reckless, and

(c) whether the person on whom the penalty is to be imposed is an individual.

(3) A regulator may at any time alter or replace a statement issued under this section.

(4) If a statement issued under this section is altered or replaced, the regulator must issue the altered or replacement statement.

(5) In exercising, or deciding whether to exercise, a power under section 192K(2) in the case of any particular contravention, a regulator must have regard to any statement of policy published under this section and in force at a time when the contravention occurred.

(6) A statement under this section must be published by the regulator concerned in the way appearing to the regulator to be best calculated to bring it to the attention of the public.

(7) A regulator may charge a reasonable fee for providing a person with a copy of the statement published under this section.

(8) A regulator must, without delay, give the Treasury a copy of any statement which it publishes under this section.

(9) Section 192I applies in relation to a statement under this section as it applies in relation to a statement under section 192H.**]**

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[F1500PART 12B

APPROVAL OF CERTAIN HOLDING COMPANIES

Textual Amendments

F1500 Pt. 12B inserted (28.12.2020 for specified purposes, 29.12.2020 in so far as not already in force) by The Financial Holding Companies (Approval etc.) and Capital Requirements (Capital Buffers and Macro-prudential Measures) (Amendment) (EU Exit) Regulations 2020 (S.I. 2020/1406), regs. 1(3)(a)(b), **2(7)** (with reg. 5)

[F1501Interpretation]

Textual Amendments

F1501 S. 192O cross-heading inserted (9.6.2021) by Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 3 para. 3** (with Sch. 3 Pt. 4); S.I. 2021/671, reg. 2(d)

192O. Interpretation

(1) In this Part—

F1502 …

[F1503"on a consolidated basis" means on the basis of the consolidated situation;**]**

[F1503"consolidated situation" means the situation that results from an entity being treated, for the purposes of the capital requirements regulation or CRR rules (as appropriate), as if that entity and one or more other entities formed a single entity; **]**

"designated investment firm" means an investment firm which is for the time being designated by the PRA under article 3 of the Financial Services and Markets Act 2000 (PRA-regulated Activities) Order 2013;

"Directive 2013/36/EU UK law" means—

(a) before IP completion day, the law of the United Kingdom which is relied on by the United Kingdom to implement the capital requirements directive and its implementing measures ("the relevant EU provisions"); and

(b) after IP completion day, the law of the United Kingdom which was relied on immediately before that date to implement the relevant EU provisions as it has effect—

(i) on **[**F15041 January 2022**]**, in the case of rules made by the FCA or by the PRA under this Act, and

(ii) as amended from time to time, in all other cases,

F1505 …

[F1506"EU tertiary legislation" has the meaning given in section 20 of the European Union (Withdrawal) Act 2018;**]**

"financial holding company" has the meaning given in Article 4(1)(20) of the capital requirements regulation;

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"financial institution" has the meaning given in Article 4(1)(26) of the capital requirements regulation;

"institution" means a credit institution or an investment firm;

"investment firm" has the meaning given in Article 4(1)(2) of the capital requirements regulation;

"mixed financial holding company" has the meaning given in Article 4(1)(21) of the capital requirements regulation;

"parent institution" means an institution which is a parent undertaking;

"parent undertaking" has the meaning given in section 420;

F1507 …

[F1508"section 192XA rules" means rules made under section 192XA;**]**

[F1509"on a sub-consolidated basis" means—

(a) on the basis of the consolidated situation of a parent institution, financial holding company or mixed financial holding company, excluding a sub-group of entities, or

(b) on the basis of the consolidated situation of a parent institution, financial holding company or mixed financial holding company that is not the ultimate parent institution, financial holding company or mixed financial holding company;**]**

"subsidiary institution" means an institution which is a subsidiary undertaking.

(2) A "parent financial holding company" or "parent mixed financial holding company" means a financial holding company or a mixed financial holding company which—

(a) is a UK parent financial holding company or a UK parent mixed financial holding company, within the meaning given in Article 4(1)(30) and 4(1)(32) respectively of the capital requirements regulation; or

(b) is required, whether by the PRA by direction under section 192C or otherwise, to comply with the capital requirements regulation **[**F1510, CRR rules**]** and Directive 2013/36/EU UK law on a sub-consolidated basis.

F1511(3) **[** In this Part, references to instruments made under the capital requirements regulation include EU tertiary legislation made under that regulation which forms part of **[**F1512assimilated**]** law.**]**

Textual Amendments

F1502 Words in s. 192O(1) omitted (1.1.2022) by virtue of The Financial Services Act 2021 (Prudential Regulation of Credit Institutions and Investment Firms) (Consequential Amendments and Miscellaneous Provisions) Regulations 2021 (S.I. 2021/1376), regs. 1(3), **4(8)(a)(i)**

F1503 Words in s. 192O(1) inserted (1.1.2022) by The Financial Services Act 2021 (Prudential Regulation of Credit Institutions and Investment Firms) (Consequential Amendments and Miscellaneous Provisions) Regulations 2021 (S.I. 2021/1376), regs. 1(3), **4(8)(a)(ii)**

F1504 Words in s. 192O(1) substituted (1.1.2022) by The Financial Services and Markets Act 2000 (Consequential Amendments of References to Rules) Regulations 2021 (S.I. 2021/1388), regs. 1(2), **2(4)**

F1505 Words in s. 192O(1) omitted (9.6.2021) by virtue of Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 3 para. 14(2)(a)** (with Sch. 3 Pt. 4); S.I. 2021/671, reg. 2(d)

F1506 Words in s. 192O(1) inserted (9.6.2021) by Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 3 para. 14(2)(b)** (with Sch. 3 Pt. 4); S.I. 2021/671, reg. 2(d)

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F1507 Words in s. 192O(1) omitted (9.6.2021) by virtue of Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 3 para. 4(2)** (with Sch. 3 Pt. 4); S.I. 2021/671, reg. 2(d)

F1508 Words in s. 192O(1) inserted (9.6.2021) by Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 3 para. 4(3)** (with Sch. 3 Pt. 4); S.I. 2021/671, reg. 2(d)

F1509 Words in s. 192O(1) substituted (1.1.2022) by The Financial Services Act 2021 (Prudential Regulation of Credit Institutions and Investment Firms) (Consequential Amendments and Miscellaneous Provisions) Regulations 2021 (S.I. 2021/1376), regs. 1(3), **4(8)(a)(iii)**

F1510 Words in s. 192O(2)(b) inserted (1.1.2022) by The Financial Services Act 2021 (Prudential Regulation of Credit Institutions and Investment Firms) (Consequential Amendments and Miscellaneous Provisions) Regulations 2021 (S.I. 2021/1376), regs. 1(3), **4(8)(b)**

F1511 S. 192O(3) inserted (9.6.2021) by Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 3 para. 14(3)** (with Sch. 3 Pt. 4); S.I. 2021/671, reg. 2(d)

F1512 Word in s. 192O(3) substituted (1.1.2024) by The Retained EU Law (Revocation and Reform) Act 2023 (Consequential Amendment) Regulations 2023 (S.I. 2023/1424), reg. 1(2), **Sch. para. 44(2)(e)**

[F1513 Approval]

Textual Amendments

F1513 S. 192P cross-heading inserted (9.6.2021) by Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 3 para. 5** (with Sch. 3 Pt. 4); S.I. 2021/671, reg. 2(d)

192P. Requirement for approval

(1) No company may be established in the United Kingdom as a parent financial holding company or a parent mixed financial holding company unless—

(a) the company is approved by the PRA;

(b) the PRA has confirmed that the company is exempt from the requirement for approval under subsection (2); or

(c) the subsidiary undertakings of the company do not include—

(i) a credit institution, or

(ii) a designated investment firm.

(2) A company is exempt from the requirement for approval if—

(a) it is a parent financial holding company and its principal activity is to acquire holdings in subsidiary undertakings; or

(b) it is a parent mixed financial holding company and its principal activity with respect to institutions and financial institutions is to acquire holdings in subsidiary undertakings,

and all of the conditions in subsection (3) are satisfied.

(3) The conditions in this subsection are satisfied if—

(a) the Bank of England has not identified the company as a resolution entity (within the meaning of section 3 of the Banking Act 2009) in a group resolution plan under Part 5 of the Bank Recovery and Resolution (No. 2) Order 2014;

(b) a credit institution or a designated investment firm which is a subsidiary undertaking in the same group as the company—

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(i) has been designated by the PRA as responsible to ensure the group's compliance with prudential requirements on a consolidated or sub-consolidated basis, and

(ii) has the power required to discharge those obligations effectively, whether under contractual arrangements with other companies in the group or otherwise;

(c) the company does not take any management, operational or financial decisions affecting—

(i) the group as a whole, or

(ii) any of its subsidiary undertakings which are institutions or financial institutions;

(d) the PRA is satisfied that there is no impediment to the effective supervision of the group on a consolidated or sub-consolidated basis.

(4) For the purposes of this section, a company is established in the United Kingdom if the company is incorporated in, or formed under the law of, any part of the United Kingdom.

192Q. Application for approval or exemption

(1) An application for—

(a) the PRA's approval for the purposes of section 192P(1)(a); or

(b) confirmation of exemption from the requirement for approval,

must be made by the company concerned.

(2) The application must—

(a) be made in such manner as the PRA may direct; and

(b) contain or be accompanied by the information referred to in subsection (3).

(3) The information referred to in subsection (2) is—

(a) a description of the structural organisation of the group of which the company is part, indicating—

(i) its subsidiary undertakings and parent undertakings, and

(ii) the location and type of activity undertaken by each of the entities within the group;

(b) the identity of at least two individuals who are directors of the company;

(c) a description as to how each director of the company complies with the requirements that they are of sufficiently good repute, and possess sufficient knowledge, skills and experience, to perform their duties as directors;

(d) where one of the subsidiary undertakings of the company is a credit institution or a designated investment firm—

(i) the identity of any persons who hold, whether directly or indirectly, qualifying holdings (within the meaning of Article 4(1)(36) of the capital requirements regulation), in the credit institution or designated investment firm, and the amounts of those holdings, or

(ii) if no person holds a qualifying holding in the credit institution or designated investment firm, the identity of the 20 largest shareholders in the credit institution or designated investment firm and the amount of their shareholdings;

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(e) a description of the internal organisation and the distribution of tasks with the group.

(4) The PRA may, by notice in writing, require the company to provide any further information necessary to enable the PRA to assess whether the conditions referred to in section 192P(2) and (3) or section 192R are fulfilled.

192R. Grant of approval

(1) When the PRA receives an application from a company under section 192Q, it must decide whether—

(a) to approve the company,

(b) to confirm that the company qualifies for an exemption under section 192P(2) and (3), or

(c) to take one or more of the measures in section 192T.

(2) The PRA may only approve the company under this section where conditions A, B and C are satisfied.

(3) Condition A is that the internal arrangements and distribution of tasks within the group of which the company is part are—

(a) adequate for the purpose of complying with the requirements imposed by Directive 2013/36/EU UK law **[**F1514, CRR rules**]**F1515... and the capital requirements regulation on a consolidated or sub-consolidated basis, F1515...

[F1516(aa) adequate for the purpose of complying with section 192XA rules, and**]**

(b) effective to—

(i) co-ordinate all the subsidiary undertakings of the company, including, where necessary, through an adequate distribution of tasks among subsidiary institutions;

(ii) prevent or manage intra-group conflicts; and

(iii) enforce the group-wide policies set by the company throughout the group.

(4) Condition B is that the structural organisation of the group of which the company is part does not obstruct or otherwise prevent the effective supervision of the subsidiary institutions and parent institutions as concerns the individual, consolidated and, where appropriate, sub-consolidated obligations to which they are subject.

(5) In assessing whether Condition B is satisfied, the PRA must take into account—

(a) the position of the company within the group;

(b) the shareholding structure of the company, and the group of which it is part; and

(c) the role of the company within the group.

(6) Condition C is that—

(a) the PRA has received the information as to the identity of the shareholders of any credit institution in the group, and the amount of their shareholdings, which is required under Directive 2013/36/EU UK law; and

(b) the directors of the company are of sufficiently good repute, and possess sufficient knowledge, skills and experience to perform their duties as directors.

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(7) Where the PRA proposes to refuse approval, or to reject an application for confirmation of exemption, it must give the company a warning notice within four months beginning with—

(a) the date on which it received the application under section 192Q; or

(b) if later (subject to subsection (8) and section 387), the date on which it received any further information requested under section 192Q(4).

(8) When the PRA decides to refuse approval, or to reject an application for an exemption, it must give the company a decision notice within six months of the date on which it received which the application under section 192Q.

Textual Amendments

F1514 Words in s. 192R(3)(a) inserted (1.1.2022) by The Financial Services Act 2021 (Prudential Regulation of Credit Institutions and Investment Firms) (Consequential Amendments and Miscellaneous Provisions) Regulations 2021 (S.I. 2021/1376), regs. 1(3), **4(9)**

F1515 Words in s. 192R(3)(a) omitted (9.6.2021) by virtue of Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 3 para. 15(a)** (with Sch. 3 Pt. 4); S.I. 2021/671, reg. 2(d)

F1516 S. 192R(3)(aa) inserted (9.6.2021) by Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 3 para. 15(b)** (with Sch. 3 Pt. 4); S.I. 2021/671, reg. 2(d)

192S. Regulator's duty to monitor

(1) The PRA must monitor whether—

(a) a company approved under section 192R continues to satisfy the conditions in section 192R(3) to (6); and

(b) a company which it has confirmed is exempt from the requirement for approval under section 192P continues to satisfy the conditions for exemption set out in section 192P(2) and (3).

(2) A company which is subject to the requirement for approval under section 192P(1), or exempt from that requirement under section 192P(2), must give the PRA notice in writing of—

(a) any change in the structural organisation of the group; and

(b) any other information required by rules made under section 192J.

192T Measures

(1) Where the PRA determines that the conditions in section 192R are not met, or have ceased to be met, by a company which is subject to the requirement for approval under section 192P(1), the PRA must take appropriate measures in relation to the company—

(a) to ensure the continuity and integrity of the consolidated or sub-consolidated supervision of the group of which the company is part (the "relevant group"); **F1517** ...

(b) to ensure that the relevant group complies with the requirements in Directive 2013/36/EU UK law **[**F1518, CRR rules**]**F1519... and the capital requirements regulation on a consolidated or sub-consolidated basis **[**F1520, and

(c) to ensure that the relevant group complies with section 192XA rules.**]**

(2) Measures taken under subsection (1) may include a direction—

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(a) suspending the exercise by the company of voting rights attached to the shares of specified subsidiary institutions held by the company;

(b) requiring the company to transfer its holdings in its subsidiary institutions to its shareholders;

(c) designating another financial holding company, mixed financial holding company or institution within the group as being responsible for a period specified in the direction for ensuring that the group complies with the requirements laid down in Directive 2013/36/EU UK law **[**F1521, CRR rules**]**F1522... and in the capital requirements regulation on a consolidated or sub-consolidated basis **[**F1523and with section 192XA rules**]**;

(d) restricting or prohibiting distributions or interest payments to shareholders;

(e) requiring the company to divest from, or reduce its holdings in, institutions or financial institutions;

(f) requiring the company to submit a plan setting out how it proposes to correct any deficiencies in its compliance with the conditions in section 192R.

(3) Where the PRA determines that a company which it has confirmed is exempt from the requirement for approval under section 192P no longer satisfies the conditions for exemption under section 192P(3), it must direct that company to apply for approval for the purposes of section 192P(1)(a).

Textual Amendments

F1517 Word in s. 192T(1)(a) omitted (9.6.2021) by virtue of Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 3 para. 16(2)(a)** (with Sch. 3 Pt. 4); S.I. 2021/671, reg. 2(d)

F1518 Words in s. 192T(1)(b) inserted (1.1.2022) by The Financial Services Act 2021 (Prudential Regulation of Credit Institutions and Investment Firms) (Consequential Amendments and Miscellaneous Provisions) Regulations 2021 (S.I. 2021/1376), regs. 1(3), **4(10)(a)**

F1519 Words in s. 192T(1)(b) omitted (9.6.2021) by virtue of Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 3 para. 16(2)(b)** (with Sch. 3 Pt. 4); S.I. 2021/671, reg. 2(d)

F1520 S. 192T(1)(c) and word inserted (9.6.2021) by Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 3 para. 16(2)(c)** (with Sch. 3 Pt. 4); S.I. 2021/671, reg. 2(d)

F1521 Words in s. 192T(2)(c) inserted (1.1.2022) by The Financial Services Act 2021 (Prudential Regulation of Credit Institutions and Investment Firms) (Consequential Amendments and Miscellaneous Provisions) Regulations 2021 (S.I. 2021/1376), regs. 1(3), **4(10)(b)**

F1522 Words in s. 192T(2)(c) omitted (9.6.2021) by virtue of Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 3 para. 16(3)(a)** (with Sch. 3 Pt. 4); S.I. 2021/671, reg. 2(d)

F1523 Words in s. 192T(2)(c) inserted (9.6.2021) by Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 3 para. 16(3)(b)** (with Sch. 3 Pt. 4); S.I. 2021/671, reg. 2(d)

192U. Directions: procedure

(1) If the PRA proposes to give a direction under section 192T, or gives such a direction with immediate effect, it must give written notice to—

(a) the financial holding company or mixed financial holding company to which the direction is given (or to be given); and

(b) any authorised person or recognised investment exchange who will, in the opinion of the PRA, be significantly affected by the direction.

(2) In the following provisions of this section "notified person" means a person to whom notice under subsection (1) is given.

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(3) A direction under section 192T takes effect—

(a) immediately, if the notice under subsection (1) states that that is the case;

(b) on such other date as may be specified in the notice; or

(c) if no date is specified in the notice, when the matter to which the notice relates is no longer open to review.

(4) A direction may be expressed to take effect immediately (or on a specified date) only if the PRA reasonably considers that it is necessary for the direction to take effect immediately (or on that date).

(5) The notice under subsection (1) must—

(a) give details of the direction;

(b) state the PRA's reasons for the direction and for its determination as to when the direction takes effect;

(c) inform the notified person that the person may make representations to the PRA within such period as may be specified in the notice (whether or not the notified person has referred the matter to the Tribunal); and

(d) inform the notified person of the person's right to refer the matter to the Tribunal.

(6) The PRA may extend the period allowed under the notice for making representations.

(7) If, having considered any representations made by any notified person, the PRA decides—

(a) to give the direction proposed; or

(b) if the direction has been given, not to revoke the direction,

it must give each of the notified persons written notice.

(8) If, having considered any representations made by any notified person, the PRA decides—

(a) not to give the direction proposed,

(b) to give a different direction, or

(c) to revoke a direction which has effect,

it must give each of the notified persons written notice.

(9) A notice given under subsection (7) must inform the notified person of the person's right to refer the matter to the Tribunal.

(10) A notice under subsection (8)(b) must comply with subsection (5).

(11) If a notice informs the notified person of the person's right to refer a matter to the Tribunal, it must give an indication of the procedure on such a reference.

(12) For the purposes of subsection (3)(c), whether a matter is open to review is to be determined in accordance with section 391(8).

[F1524]192V Rules imposing consolidated or sub-consolidated requirements

. . . . . .

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Textual Amendments

F1524 S. 192V omitted (9.6.2021) by virtue of Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 3 para. 6** (with Sch. 3 Pt. 4); S.I. 2021/671, reg. 2(d)

192W. Consultation between regulators

The PRA must consult the FCA before—

(a) approving an application under section 192Q; or

(b) giving a notice under section 192U(1) or (8)(b) to the financial holding company or mixed financial company of a group which includes an institution which is not a PRA-authorised person.

192X. References to Tribunal

(1) A reference may be made to the Tribunal by—

(a) a company which is aggrieved by the decision of the PRA under section 192R to refuse approval, or to reject an application for an exemption; or

(b) a notified person who is aggrieved by the exercise by the PRA of its powers in relation to directions under section 192T.

(2) "Notified person" means a person to whom notice under section 192U(1) has been given, or ought to have been given.

F[F1525] *Rules*

Textual Amendments

F1525 Ss. 192XA-192XC and cross-heading inserted (9.6.2021) by Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 3 para. 7** (with Sch. 3 Pt. 4); S.I. 2021/671, reg. 2(d)

192XA Rules applying to holding companies

(1) The PRA may make rules described in subsection (2) applying to financial holding companies and mixed financial holding companies that are—

(a) approved under section 192R, or

(b) designated under section 192T(2)(c),

where it appears to the PRA to be necessary or expedient to make the rules for the purpose of advancing any of its objectives.

(2) Those rules are—

(a) rules imposing requirements to be complied with by holding companies on a consolidated or sub-consolidated basis;

(b) rules imposing requirements which, in the PRA's opinion, are likely to mitigate group risk;

(c) rules imposing reporting requirements related to requirements described in paragraph (a) or (b);

(d) rules imposing public disclosure requirements related to requirements described in paragraph (a) or (b);

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(e) rules imposing requirements in respect of governance arrangements;

(f) rules imposing requirements in respect of remuneration policies and practices.

F1526(3) . . . . . .

F1526(4) . . . . . .

(5) Rules made under this section may make provision by reference to the capital requirements regulation, to instruments made under that regulation or to Directive 2013/36/EU UK law, as amended from time to time.

(6) Section 137H (rules about remuneration) applies where the PRA makes rules under this section prohibiting persons, or persons of a specified description, from being remunerated in a specified way as it applies where the PRA makes general rules imposing such a prohibition.

(7) Section 137I (Treasury direction to consider compliance with remuneration policies) applies where the PRA makes rules under this section requiring financial holding companies or mixed financial holding companies, or a specified description of such companies, to act in accordance with a remuneration policy as it applies where the PRA makes general rules imposing such requirements on authorised persons, but as if—

(a) the references in that section to authorised persons were references to financial holding companies or mixed financial holding companies, and

(b) subsection (7) of that section were omitted.

(8) Section 141A (power to make consequential amendments of references to rules etc) applies to the exercise by the PRA of its power to make, alter or revoke rules under this section as it applies in relation to the exercise by the PRA of its power to make, alter or revoke rules under Part 9A.

(9) In this section—

"governance arrangements" includes organisational structure, lines of responsibility and internal control mechanisms;

"group risk" means the risk that the financial position of a financial holding company or mixed financial holding company or of a member of its group may be adversely affected—

(a) by its relationships, whether financial or non-financial, with other members of the group, or

(b) by matters which affect the financial position of the group, or of a group which forms part of that group, taken as a whole (including, for example, reputational contagion).

Textual Amendments

F1526 S. 192XA(3)(4) repealed (1.1.2024) by Financial Services and Markets Act 2023 (c. 29), s. 86(3), **Sch. 1 Pt. 4** (with ss. 1(4), 7(4)); S.I. 2023/779, reg. 5(e)(iv)

Modifications etc. (not altering text)

C818 S. 192XA(1) modified (13.3.2023 at 8.00 a.m.) by The Amendments of the Law (Resolution of Silicon Valley Bank UK Limited) Order 2023 (S.I. 2023/319), arts. 1(2), **3(1)** (as amended (23.6.2023) by S.I. 2023/694, arts. 1(2), **3(3)**)

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192XB Procedural provision

(1) For provision about the making of section 192XA rules that are CRR rules, see Part 9D.

(2) The following provisions of Part 9D apply in relation to section 192XA rules that are not CRR rules as if they were CRR rules—

(a) section 144C (matters to consider when making rules);

(b) section 144D (explanation to accompany consultation on rules);

(c) section 144E(1) and (4) to (7) (exceptions from sections 144C and 144D).

Modifications etc. (not altering text)

C819 S. 192XB modified (temp.) (22.8.2023) by The Financial Services and Markets Act 2023 (Commencement No. 2 and Transitional Provisions) Regulations 2023 (S.I. 2023/936), **reg. 5**

192XC Disapplication or modification of rules in individual cases

(1) This section applies to a section 192XA rule if, or to the extent that, section 192XA rules provide for it to apply to the rule.

(2) The PRA may, on the application of or with the consent of a person who is subject to section 192XA rules, give the person a permission that enables the person—

(a) not to apply the section 192XA rule, or

(b) to apply the section 192XA rule with the modifications specified in the permission.

(3) The PRA may—

(a) give permission under this section subject to conditions, and

(b) revoke or vary permission under this section.**]**

192Y. Power to impose penalty or issue censure

(1) This section applies if the PRA is satisfied that a company which is or has been a financial holding company or a mixed financial holding company ("the company") has contravened a requirement imposed by—

(a) this Part;

(b) a direction given to the company by the PRA under section 192T;

F1527(c) . . . . . .

[section 192XA rules; or**]**

F1528(ca)

[F1529(d) the capital requirements regulation or an instrument made under that regulation.**]**

(2) The PRA may impose a penalty of such amount as it considers appropriate on—

(a) the company; or

(b) any person who was knowingly concerned in the contravention.

(3) The PRA may, instead of imposing a penalty on a person, publish a statement censuring the person.

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(4) The PRA may not take action against a person under this section after the end of the limitation period unless, before the end of that period, it has given a warning notice to the person under section 192Z.

(5) "The limitation period" means the period of 3 years beginning with the first day on which the PRA knew of the contravention.

(6) For this purpose the PRA is to be treated as knowing of a contravention if it has information from which the contravention can reasonably be inferred.

Textual Amendments

F1527 S. 192Y(1)(c) omitted (9.6.2021) by virtue of Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 3 para. 17(a)** (with Sch. 3 Pt. 4); S.I. 2021/671, reg. 2(d)

F1528 S. 192Y(1)(ca) inserted (9.6.2021) by Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 3 para. 17(b)** (with Sch. 3 Pt. 4); S.I. 2021/671, reg. 2(d)

F1529 S. 192Y(1)(d) substituted (9.6.2021) by Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 3 para. 8** (with Sch. 3 Pt. 4); S.I. 2021/671, reg. 2(d)

192Z. Procedure and right to refer to Tribunal

(1) If a regulator proposes to take action against a person under section 192Y, it must give the person a warning notice.

(2) A warning notice about a proposal to impose a penalty must state the amount of the penalty.

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

(4) If the regulator decides to take action against a person under section 192Y, it must give the person a decision notice.

(5) A decision notice about the imposition of a penalty must state the amount of the penalty.

(6) A decision notice about the publication of a statement must set out the terms of the statement.

(7) If the regulator decides to take action against a person under section 192Y, the person may refer the matter to the Tribunal.

192Z1. Duty on publication of statement

After a statement under section 192Y(3) is published, the regulator must send a copy of the statement to—

(a) the person in respect of whom it is made; and

(b) any person to whom a copy of the decision notice was given under section 393(4).

192Z2. Directions and penalties: statement of policy

(1) The PRA must prepare and issue a statement of policy with respect to—

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(a) the taking of measures, including directions, under section 192T;
(b) the imposition of penalties under section 192Y;
(c) the amount of penalties under that section.

(2) The PRA's policy in determining what the amount of a penalty should be must include having regard to—
(a) the seriousness of the contravention;
(b) the extent to which the contravention was deliberate or reckless; and
(c) whether the person on whom the penalty is to be imposed is an individual.

(3) The PRA may at any time alter or replace a statement issued under this section.

(4) If a statement issued under this section is altered or replaced, the PRA must issue the altered or replacement statement.

(5) In imposing, or deciding whether to impose a penalty under section 192Y(2) in the case of any particular contravention, the PRA must have regard to any statement of policy published under this section and in force at a time when the contravention occurred.

(6) A statement under this section must be published by the PRA in the way appearing to the PRA to be best calculated to bring it to the attention of the public.

(7) The PRA may charge a reasonable fee for providing a person with a copy of the statement published under this section.

(8) The PRA must, without delay, give the Treasury a copy of any statement which it publishes under this section.

192Z3. Statement of policy relating to directions: procedure

(1) Before issuing a statement of policy under section 192Z2, the PRA must—
(a) consult the FCA; and
(b) publish a draft of the proposed statement in the way appearing to the PRA to be best calculated to bring it to the attention of the public.

(2) The draft must be accompanied by notice that representations about the proposal may be made to the PRA within a specified time.

(3) Before issuing the proposed statement, the PRA must have regard to any representations made to it in accordance with subsection (2).

(4) If the PRA issues the proposed statement it must publish an account, in general terms, of—
(a) the representations made to it in accordance with subsection (2); and
(b) its response to them.

(5) If the statement differs from the draft published under subsection (2) in a way which is, in the opinion of the PRA, significant, the PRA must—
(a) consult the FCA again before issuing it; and
(b) in addition to complying with subsection (4), publish details of the difference.

(6) The PRA may charge a reasonable fee for providing a person with a draft published under subsection (1)(b).

(7) This section also applies to a proposal to alter or replace a statement.**]**

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PART XIII

INCOMING FIRMS: INTERVENTION BY [F1530FCA OR PRA]

Textual Amendments

F1530 Words in Pt. 13 heading substituted (27.2.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 4 para. 30** (with Sch. 20); S.I. 2013/423, arts. 2, 3, Sch.

Modifications etc. (not altering text)

C820 Pt. 13 modified (1.12.2001) by S.I. 2001/3592, **arts. 1(2)**, 114(3)(a) (with art. 23(2))
Pt. 13 extended (1.12.2001) by S.I. 2001/2636, **arts. 1(2)(b)**, 32; S.I. 2001/3538, **art. 2(1)**
Pt. 13 extended (5.10.2001 for specified purposes otherwise 1.12.2001) by S.I. 2001/3084, **art. 2(7)**; S.I. 2001/3538, **art. 2(1)**
Pt 13 excluded (1.12.2001) by S.I. 2001/3592, **art. 107(2)** (with art. 23(2))

C821 Pt. 13 applied (with modifications) (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services Act 2012 (Consumer Credit) Order 2013 (S.I. 2013/1882), arts. 1(1), **3(6)**

C822 Pt. 13 applied (with modifications) by S.I. 2011/99, Sch. 3 para 4A (as inserted (13.8.2017 for specified purposes, 13.10.2017 for specified purposes, 13.1.2018 in so far as not already in force) by The Payment Services Regulations 2017 (S.I. 2017/752), reg. 1(2)(c)(iii)(3)(f)(i)(6), **Sch. 8 para. 5(31)(b)** (with reg. 3))

C823 Pt. 13 applied (with modifications) (13.1.2018) by The Payment Services Regulations 2017 (S.I. 2017/752), reg. 1(6), **Sch. 6 para. 6** (with reg. 3) (which amending provision was revoked (31.12.2020) by The Electronic Money, Payment Services and Payment Systems (Amendment and Transitional Provisions) (EU Exit) Regulations 2018 (S.I. 2018/1201), reg. 1(3), **Sch. 2 para. 72(4)** (with reg. 4, Sch. 3 Pt. 2) (as amended by S.I. 2020/56, regs. 1, 8); 2020 c. 1, Sch. 5 para. 1(1))

Interpretation

F1531193 Interpretation of this Part.

. . . . . .

Textual Amendments

F1531 Pt. 13 omitted (except s. 195(3)(4)) (31.12.2020) by virtue of The EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018 (S.I. 2018/1149), reg. 1(3), **Sch. para. 12** (with reg. 4); 2020 c. 1, Sch. 5 para. 1(1)

F1531194 General grounds on which power of intervention is exercisable.

. . . . . .

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Textual Amendments

F1531 Pt. 13 omitted (except s. 195(3)(4)) (31.12.2020) by virtue of The EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018 (S.I. 2018/1149), reg. 1(3), **Sch. para. 12** (with reg. 4); 2020 c. 1, Sch. 5 para. 1(1)

F1531 194A Contravention by relevant EEA firm with UK branch of requirement under markets in financial instruments directive: appropriate regulator primarily responsible for securing compliance

. . . . . .

Textual Amendments

F1531 Pt. 13 omitted (except s. 195(3)(4)) (31.12.2020) by virtue of The EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018 (S.I. 2018/1149), reg. 1(3), **Sch. para. 12** (with reg. 4); 2020 c. 1, Sch. 5 para. 1(1)

F1531 194B Contravention by relevant EEA firm of requirement in capital requirements directive or capital requirements regulation

. . . . . .

Textual Amendments

F1531 Pt. 13 omitted (except s. 195(3)(4)) (31.12.2020) by virtue of The EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018 (S.I. 2018/1149), reg. 1(3), **Sch. para. 12** (with reg. 4); 2020 c. 1, Sch. 5 para. 1(1)

F1531 194C Contravention by relevant EEA firm with UK branch of requirement in mortgages directive: appropriate regulator primarily responsible for securing compliance

. . . . . .

Textual Amendments

F1531 Pt. 13 omitted (except s. 195(3)(4)) (31.12.2020) by virtue of The EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018 (S.I. 2018/1149), reg. 1(3), **Sch. para. 12** (with reg. 4); 2020 c. 1, Sch. 5 para. 1(1)

F1531 194D Contravention by relevant EEA firm of requirement in insurance distribution directive: appropriate regulator primarily responsible for securing compliance

. . . . . .

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Textual Amendments

F1531 Pt. 13 omitted (except s. 195(3)(4)) (31.12.2020) by virtue of The EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018 (S.I. 2018/1149), reg. 1(3), **Sch. para. 12** (with reg. 4); 2020 c. 1, Sch. 5 para. 1(1)

195 Exercise of power in support of overseas regulator.

F1531(1) . . . . . .

F1531(2) . . . . . .

F1531(2A) . . . . . .

(3) "An overseas regulator" means an authority in a country or territory outside the United Kingdom—

(a) which is a home state regulator; or

(b) which exercises any function of a kind mentioned in subsection (4).

(4) The functions are—

(a) a function corresponding to any function of **[**F1532either regulator**]** under this Act;

F1533(b) . . . . . .

(c) a function corresponding to any function exercised by the Secretary of State under **[**F1534the Companies Acts (as defined in section 2 of the Companies Act 2006)**]**;

(d) a function in connection with —

(i) the investigation of conduct of the kind prohibited by Part V of the M14Criminal Justice Act 1993 (insider dealing); or

(ii) the enforcement of rules (whether or not having the force of law) relating to such conduct;

(e) a function prescribed by regulations made for the purposes of this subsection which, in the opinion of the Treasury, relates to companies or financial services.

F1531(5) . . . . . .

F1531(6) . . . . . .

F1531(7) . . . . . .

F1531(8) . . . . . .

Textual Amendments

F1531 Pt. 13 omitted (except s. 195(3)(4)) (31.12.2020) by virtue of The EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018 (S.I. 2018/1149), reg. 1(3), **Sch. para. 12** (with reg. 4); 2020 c. 1, Sch. 5 para. 1(1)

F1532 Words in s. 195(4)(a) substituted (27.2.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 4 para. 34(5)(a)** (with Sch. 20); S.I. 2013/423, arts. 2, 3, Sch.

Status: *This version of this Act contains provisions that are prospective.*
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F1533 S. 195(4)(b) omitted (24.1.2013 for specified purposes, 27.2.2013 for specified purposes, 1.4.2013 in so far as not already in force) by virtue of Financial Services Act 2012 (c. 21), **ss. 16(14)(h)**, 122(3), Sch. 4 para. 34(5)(b) (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, arts. 2, 3, Sch.

F1534 Words in s. 195(4)(c) substituted (1.10.2007) by The Companies Act 2006 (Commencement No. 3, Consequential Amendments, Transitional Provisions and Savings) Order 2007 (S.I. 2007/2194), art. 10(1), **Sch. 4 para. 92**

Marginal Citations

M14 1993 c. 36.

F1531 195A Contravention by relevant EEA firm , EEAUCITS or EEAAIFM of directive requirements: home state regulator primarily responsible for securing compliance

. . . . . .

Textual Amendments

F1531 Pt. 13 omitted (except s. 195(3)(4)) (31.12.2020) by virtue of The EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018 (S.I. 2018/1149), reg. 1(3), **Sch. para. 12** (with reg. 4); 2020 c. 1, Sch. 5 para. 1(1)

F1531 195B Contravention by relevant EEA firm of requirement in mortgages directive: home state regulator primarily responsible for securing compliance

. . . . . .

Textual Amendments

F1531 Pt. 13 omitted (except s. 195(3)(4)) (31.12.2020) by virtue of The EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018 (S.I. 2018/1149), reg. 1(3), **Sch. para. 12** (with reg. 4); 2020 c. 1, Sch. 5 para. 1(1)

F1531 195C Contravention by relevant EEA firm of requirement in insurance distribution directive: home state regulator primarily responsible for securing compliance

. . . . . .

Textual Amendments

F1531 Pt. 13 omitted (except s. 195(3)(4)) (31.12.2020) by virtue of The EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018 (S.I. 2018/1149), reg. 1(3), **Sch. para. 12** (with reg. 4); 2020 c. 1, Sch. 5 para. 1(1)

F1531 196 The power of intervention.

. . . . . .

Status: *This version of this Act contains provisions that are prospective.*
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Textual Amendments

F1531 Pt. 13 omitted (except s. 195(3)(4)) (31.12.2020) by virtue of The EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018 (S.I. 2018/1149), reg. 1(3), **Sch. para. 12** (with reg. 4); 2020 c. 1, Sch. 5 para. 1(1)

Exercise of power of intervention

F1531 197 Procedure on exercise of power of intervention.

. . . . . .

Textual Amendments

F1531 Pt. 13 omitted (except s. 195(3)(4)) (31.12.2020) by virtue of The EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018 (S.I. 2018/1149), reg. 1(3), **Sch. para. 12** (with reg. 4); 2020 c. 1, Sch. 5 para. 1(1)

F1531 198 Power to apply to court for injunction in respect of certain overseas insurance companies.

. . . . . .

Textual Amendments

F1531 Pt. 13 omitted (except s. 195(3)(4)) (31.12.2020) by virtue of The EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018 (S.I. 2018/1149), reg. 1(3), **Sch. para. 12** (with reg. 4); 2020 c. 1, Sch. 5 para. 1(1)

F1531 199 Additional procedure for EEA firms in certain cases.

. . . . . .

Textual Amendments

F1531 Pt. 13 omitted (except s. 195(3)(4)) (31.12.2020) by virtue of The EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018 (S.I. 2018/1149), reg. 1(3), **Sch. para. 12** (with reg. 4); 2020 c. 1, Sch. 5 para. 1(1)

F1531 199A Management companies: loss of authorisation

. . . . . .

Status: *This version of this Act contains provisions that are prospective.*
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Textual Amendments

F1531 Pt. 13 omitted (except s. 195(3)(4)) (31.12.2020) by virtue of The EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018 (S.I. 2018/1149), reg. 1(3), **Sch. para. 12** (with reg. 4); 2020 c. 1, Sch. 5 para. 1(1)

Supplemental

F1531 200 Rescission and variation of requirements.

. . . . . .

Textual Amendments

F1531 Pt. 13 omitted (except s. 195(3)(4)) (31.12.2020) by virtue of The EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018 (S.I. 2018/1149), reg. 1(3), **Sch. para. 12** (with reg. 4); 2020 c. 1, Sch. 5 para. 1(1)

F1531 201 Effect of certain requirements on other persons

. . . . . .

Textual Amendments

F1531 Pt. 13 omitted (except s. 195(3)(4)) (31.12.2020) by virtue of The EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018 (S.I. 2018/1149), reg. 1(3), **Sch. para. 12** (with reg. 4); 2020 c. 1, Sch. 5 para. 1(1)

F1531 202 Contravention of requirement imposed under this Part.

. . . . . .

Textual Amendments

F1531 Pt. 13 omitted (except s. 195(3)(4)) (31.12.2020) by virtue of The EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018 (S.I. 2018/1149), reg. 1(3), **Sch. para. 12** (with reg. 4); 2020 c. 1, Sch. 5 para. 1(1)

Powers of [F1535 Office of Fair Trading]

Textual Amendments

F1535 S. 203: words in cross-heading substituted (1.4.2003) by Enterprise Act 2002 (c. 40), ss. 278, 279, **Sch. 25 para. 40(7)(c)**; S.I. 2003/766, **art. 2**, Sch. (with art. 3)

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F1536 203 Power to prohibit the carrying on of Consumer Credit Act business.

. . . . . .

Textual Amendments

F1536 Ss. 203, 204 omitted (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by virtue of The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No. 2) Order 2013 (S.I. 2013/1881), arts. 1(2)(6), **10(4)** (with art. 11(4))

F1536 204 Power to restrict the carrying on of Consumer Credit Act business.

. . . . . .

Textual Amendments

F1536 Ss. 203, 204 omitted (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by virtue of The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No. 2) Order 2013 (S.I. 2013/1881), arts. 1(2)(6), **10(4)** (with art. 11(4))

F1537 PART 13A

ENHANCED SUPERVISION OF FIRMS EXERCISING RIGHTS UNDER THE INSURANCE DISTRIBUTION DIRECTIVE

Textual Amendments

F1537 Pt. 13A omitted (31.12.2020) by virtue of The EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018 (S.I. 2018/1149), reg. 1(3), **Sch. para. 13** (with reg. 4); 2020 c. 1, Sch. 5 para. 1(1)

203A. Insurance distribution directive: enhanced supervision of EEA firms by UK regulators

. . . . . .

203B. Insurance distribution directive: enhanced supervision of UK firms by an EEA regulator

. . . . . .

203C. Modification or waiver of rules where firm subject to enhanced supervision

. . . . . .

203D. Publication of directions under section 203C

. . . . . .

Status: *This version of this Act contains provisions that are prospective.*
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PART XIV

DISCIPLINARY MEASURES

Modifications etc. (not altering text)

C824 Pt. 14 applied (1.12.2001) by 1951 c. 65, **s. 57(5)** (as substituted (1.12.2001) by S.I. 2001/3647, art. 5, **Sch. 3 Pt. I para. 5(3)**)

C825 Pt. 14 applied (with modifications) (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services Act 2012 (Consumer Credit) Order 2013 (S.I. 2013/1882), arts. 1(1), **3(7)**

C826 Pt. 14 applied (with modifications) (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No.2) Order 2013 (S.I. 2013/1881), arts. 1(2)(6), **12(10)**

C827 Pt. 14 modified (E.W.S.) (29.11.2018 for specified purposes, 1.4.2019 in so far as not already in force) by The Financial Services and Markets Act 2000 (Claims Management Activity) Order 2018 (S.I. 2018/1253), arts. 1(2)(3), **82(13)**

C828 Pt. 14 applied (with modifications) (1.1.2019) by The Securitisation Regulations 2018 (S.I. 2018/1288), reg. 1, **Sch. 1 para. 4** (with Sch. 1 paras. 13, 14)

C829 Pt. 14 modified (15.7.2025 for specified purposes) by The Financial Services and Markets Act 2000 (Regulated Activities etc.) (Amendment) Order 2025 (S.I. 2025/859), arts. 1(2)(3), **10(6)**

[F1538 204A Meaning of "relevant requirement" and "appropriate regulator"

(1) The following definitions apply for the purposes of this Part.

(2) "Relevant requirement" means a requirement imposed—

(a) by or under this Act, F1539...

[F1540(aa) by regulations under section 11 of the Civil Liability Act 2018,]

[F1541(ab) by or under the Securitisation Regulations 2024,]

(b) by a [F1542qualifying provision] specified, or of a description specified, for the purposes of this subsection by the Treasury by order [F1543, F1544...

(c) by the Alternative Investment Fund Managers Regulations 2013][F1545, or

(d) by the Undertakings for Collective Investment in Transferable Securities Regulations 2011.]

(3) The PRA is "the appropriate regulator" in the case of a contravention of—

(a) a requirement that is imposed under any provision of this Act by the PRA;

(b) a requirement under section 56(6) where the authorised person concerned is a PRA-authorised person and the prohibition order concerned is made by the PRA;

F1546(c) . . . . . .

[F1547(d) a requirement under section 62A(2) where [F1548the revised statement of responsibilities is to be provided to the PRA only;]

(e) a requirement under section 64B(2) or (5) where the conduct rules concerned are made by the PRA;

(f) a requirement under section 64C(1) to notify the PRA that disciplinary action has been taken.]

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[F1549(fa) a requirement imposed by regulation 8A(2) of the Securitisation Regulations 2024 where the institutional investor concerned is a PRA-authorised person;**]**

[F1550(g) a requirement imposed by regulation 38 of the Securitisation Regulations 2024 on a PRA-authorised person in a case where the temporary prohibition imposed under regulation 37(1) or (2) of those Regulations was imposed by the PRA.**]**

[F1551(3A) Either the PRA or the FCA is "the appropriate regulator" in the case of a contravention of—

(a) a requirement under section 59(1) or (2) where the authorised person concerned is a PRA-authorised person and the approval concerned falls to be given by the PRA;

(b) a requirement under section 60A(1) or (2) where the authorised person concerned is a PRA-authorised person and the approval concerned falls to be given by the PRA;

[F1552(ba) a requirement under section 62A(2) where the revised statement of responsibilities is to be provided to the FCA and the PRA;**]**

(c) a requirement under section 63(2A) where the approval concerned is within section 63(1A)(a);

(d) a requirement under section 63E(1) where the authorised person concerned is a PRA-authorised person and the function concerned is of a description specified in rules made by the PRA;

(e) a requirement under section 63F(1), (2), (4), (6) or (7) where the authorised person concerned is a PRA-authorised person and the certificate concerned relates to a function of a description specified in rules made by the PRA.**]**

(4) In the case of a contravention of a requirement that is imposed by a qualifying EU provision, "the appropriate regulator" for the purpose of any provision of this Part is whichever of the PRA or the FCA (or both) is specified by the Treasury by order in relation to the qualifying EU provision for the purposes of that provision of this Part.

(5) In the case of a contravention of a requirement where the contravention constitutes an offence, the "appropriate regulator" is whichever of the PRA or the FCA has power to prosecute the offence (see section 401).

[F1553(6) The FCA is "the appropriate regulator" in the case of a contravention of any other requirement imposed—

(a) by or under this Act;

[F1554(aa) by regulations under section 11 of the Civil Liability Act 2018;**]**

[F1555(ab) by or under the Securitisation Regulations 2024;**]**

(b) by the Alternative Investment Fund Managers Regulations 2013; or

(c) by the Undertakings for Collective Investment in Transferable Securities Regulations 2011.**]**

(7) The Treasury may by order amend the provisions defining "the appropriate regulator".**]**

Textual Amendments

F1538 S. 204A inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 10** (with Sch. 20); S.I. 2013/113, art. 2(1)(b), Sch. Pt. 2; S.I. 2013/423, art. 3, Sch.

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F1539 Word in s. 204A(2) omitted (22.7.2013) by virtue of The Alternative Investment Fund Managers Regulations 2013 (S.I. 2013/1773), reg. 1, **Sch. 1 para. 15(a)**

F1540 S. 204A(2)(aa) inserted (20.12.2018) by Civil Liability Act 2018 (c. 29), **ss. 11(10)(b)(i)**, 14

F1541 S. 204A(2)(ab) inserted (30.1.2024 for specified purposes, 1.11.2024 in so far as not already in force) by The Securitisation Regulations 2024 (S.I. 2024/102), reg. 2(1)(e)(2), **Sch. 1 para. 6(2)** (with Sch. 3); as amended by S.I. 2024/705, regs. 1(2), 2(2)

F1542 Words in s. 204A(2)(b) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **61**; 2020 c. 1, Sch. 5 para. 1(1)

F1543 S. 204A(2)(c) and word inserted (22.7.2013) by The Alternative Investment Fund Managers Regulations 2013 (S.I. 2013/1773), reg. 1, **Sch. 1 para. 15(b)**

F1544 Word in s. 204A(2)(b) omitted (18.3.2016) by virtue of The Undertakings for Collective Investment in Transferable Securities Regulations 2016 (S.I. 2016/225), regs. 1, **2(5)(a)(i)**

F1545 S. 204A(2)(d) and word inserted (18.3.2016) by The Undertakings for Collective Investment in Transferable Securities Regulations 2016 (S.I. 2016/225), regs. 1, **2(5)(a)(ii)**

F1546 S. 204A(3)(c) omitted (7.3.2016) by virtue of The Financial Services and Markets Act 2000 (Misconduct and Appropriate Regulator) Order 2015 (S.I. 2015/1864), arts. 1(1), **3(2)**

F1547 S. 204A(3)(d)-(f) inserted (7.3.2016) by The Financial Services and Markets Act 2000 (Misconduct and Appropriate Regulator) Order 2015 (S.I. 2015/1864), arts. 1(1), **3(3)**

F1548 Words in s. 204A(3)(d) substituted (6.7.2016) by Bank of England and Financial Services Act 2016 (c. 14), **ss. 23(5)(a)**, 41(3); S.I. 2016/627, reg. 2(1)(q)

F1549 S. 204A(3)(fa) inserted (1.11.2024) by The Securitisation (Amendment) Regulations 2024 (S.I. 2024/705), reg. 1(3), **Sch. 2 para. 1**

F1550 S. 204A(3)(g) inserted (30.1.2024 for specified purposes, 1.11.2024 in so far as not already in force) by The Securitisation Regulations 2024 (S.I. 2024/102), reg. 2(1)(e)(2), **Sch. 1 para. 6(3)** (with Sch. 3); as amended by S.I. 2024/705, regs. 1(2), 2(2)

F1551 S. 204A(3A) inserted (7.3.2016 for specified purposes, 7.3.2017 in so far as not already in force) by The Financial Services and Markets Act 2000 (Misconduct and Appropriate Regulator) Order 2015 (S.I. 2015/1864), arts. 1(1)(3), **3(4)** (with art. 4)

F1552 S. 204A(3A)(ba) inserted (6.7.2016) by Bank of England and Financial Services Act 2016 (c. 14), **ss. 23(5)(b)**, 41(3); S.I. 2016/627, reg. 2(1)(q)

F1553 S. 204A(6) substituted (18.3.2016) by The Undertakings for Collective Investment in Transferable Securities Regulations 2016 (S.I. 2016/225), regs. 1, **2(5)(b)**

F1554 S. 204A(6)(aa) inserted (20.12.2018) by Civil Liability Act 2018 (c. 29), **ss. 11(10)(b)(ii)**, 14

F1555 S. 204A(6)(ab) inserted (30.1.2024 for specified purposes, 1.11.2024 in so far as not already in force) by The Securitisation Regulations 2024 (S.I. 2024/102), reg. 2(1)(e)(2), **Sch. 1 para. 6(4)** (with Sch. 3); as amended by S.I. 2024/705, regs. 1(2), 2(2)

Modifications etc. (not altering text)

C830 S. 204A applied (with modifications) (1.4.2013) by The Financial Services Act 2012 (Transitional Provisions) (Enforcement) Order 2013 (S.I. 2013/441), arts. 1(1), **11(5)**

C831 Ss. 204A-209 modified by S.I. 2002/1775, reg. 12(1)(1A) (as substituted (24.3.2015) by The Electronic Commerce Directive (Financial Services and Markets) (Amendment) Order 2015 (S.I. 2015/852), arts. 1(2), **2(3)**)

C832 S. 204A modified (20.4.2015 for specified purposes, 21.12.2015 for specified purposes, 21.3.2016 in so far as not already in force) by The Mortgage Credit Directive Order 2015 (S.I. 2015/910), arts. 1(5), **23(1)(a)** (with Pt. 4)

C833 S. 204A applied (with modifications) (31.5.2021) by The Civil Liability Act 2018 (Financial Conduct Authority) (Whiplash) Regulations 2021 (S.I. 2021/594), regs. 1, **2(5)(a)**

C834 S. 204A applied (8.6.2023 for specified purposes, 7.10.2023 in so far as not already in force) by The Financial Services and Markets Act 2000 (Financial Promotion) (Amendment) Order 2023 (S.I. 2023/612), art. 1(2), **Sch. para. 1(m)** (with art. 11)

C835 S. 204A applied (with modifications) (14.1.2025 for specified purposes) by The Short Selling Regulations 2025 (S.I. 2025/29), regs. 2(2)(3), 24, 25, Sch. 1 Pts. 1, **2**

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C836 S. 204A(2)(c) modified (30.1.2024 for specified purposes, 1.11.2024 in so far as not already in force) by The Securitisation Regulations 2024 (S.I. 2024/102), regs. 2(1)(e)(2), **34(7)**(8)(c) (with Sch. 3); as amended by S.I. 2024/705, regs. 1(2), 2(2)

C837 S. 204A(6)(b) modified (30.1.2024 for specified purposes, 1.11.2024 in so far as not already in force) by The Securitisation Regulations 2024 (S.I. 2024/102), regs. 2(1)(e)(2), **34(7)**(8)(c) (with Sch. 3); as amended by S.I. 2024/705, regs. 1(2), 2(2)

205 Public censure.

[F1556(1)**]** If the **[**F1557appropriate regulator**]** considers that an authorised person has contravened **[**F1558a relevant requirement imposed on the person, it may**]** publish a statement to that effect.

[F1559(2) If the FCA considers that a person other than an authorised person has contravened a relevant Part 5A requirement imposed on the person, it may publish a statement to that effect.**]**

Textual Amendments

F1556 S. 205 renumbered as s. 205(1) (14.1.2025) by The Financial Services and Markets Act 2000 (Designated Activities) (Supervision and Enforcement) Regulations 2025 (S.I. 2025/22), reg. 1(2), **Sch. para. 13(2)**

F1557 Words in s. 205 substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 11(a)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1558 Words in s. 205 substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 11(b)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1559 S. 205(2) inserted (14.1.2025) by The Financial Services and Markets Act 2000 (Designated Activities) (Supervision and Enforcement) Regulations 2025 (S.I. 2025/22), reg. 1(2), **Sch. para. 13(3)**

Modifications etc. (not altering text)

C831 Ss. 204A-209 modified by S.I. 2002/1775, reg. 12(1)(1A) (as substituted (24.3.2015) by The Electronic Commerce Directive (Financial Services and Markets) (Amendment) Order 2015 (S.I. 2015/852), arts. 1(2), **2(3)**)

C838 S. 205 modified (1.12.2001) by S.I. 2001/2657, **arts. 1(1)**, 6, 7 (which was revoked (8.10.2001) by S.I. 2001/3083, **arts. 1(2)**, 23); S.I. 2001/3538, **art. 2(1)**
S. 205 modified (1.12.2001) by S.I. 2001/3083, **arts. 1(1)**, 6, 7; S.I. 2001/3538, **art. 2(1)**
S. 205 excluded (1.12.2001) by S.I. 2001/3592, **arts. 1(2)**, 107(1) (with art. 23(2))

C839 S. 205 modified (18.7.2002 for certain purposes and 21.8.2002 otherwise) by The Electronic Commerce Directive (Financial Services and Markets) Regulations 2002 (S.I. 2002/1775), regs. 1, **12(1)**

C840 S. 205 applied (22.7.2013) by The Alternative Investment Fund Managers Regulations 2013 (S.I. 2013/1773), regs. 1, **71(1)(e)**

C841 S. 205 applied (20.4.2015 for specified purposes, 21.12.2015 for specified purposes, 21.3.2016 in so far as not already in force) by The Mortgage Credit Directive Order 2015 (S.I. 2015/910), arts. 1(5), **23(2)(n)** (with Pt. 4)

C842 S. 205 applied (31.5.2021) by The Civil Liability Act 2018 (Financial Conduct Authority) (Whiplash) Regulations 2021 (S.I. 2021/594), regs. 1, **2(5)(b)**

C843 S. 205 applied (with modifications) (8.6.2023 for specified purposes, 7.10.2023 in so far as not already in force) by The Financial Services and Markets Act 2000 (Financial Promotion) (Amendment) Order 2023 (S.I. 2023/612), art. 1(2), **Sch. para. 18** (with art. 11)

C844 S. 205 applied (with modifications) (14.1.2025 for specified purposes) by The Short Selling Regulations 2025 (S.I. 2025/29), regs. 2(2)(3), 24, 25, Sch. 1 Pts. 1, **2**

Status: *This version of this Act contains provisions that are prospective.*
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C845 S. 205 applied (14.1.2025 for specified purposes) by The Short Selling Regulations 2025 (S.I. 2025/29), regs. 2(2)(3), **26(2)**

C846 S. 205 applied (with modifications) (1.1.2026) by The Financial Services and Markets Act 2023 (Mutual Recognition Agreement) (Switzerland) Regulations 2025 (S.I. 2025/1145), regs. 1(2), **13(4)**, 14(6), 18, 36(1), 44(1)

206 Financial penalties.

(1) If the **[**F1560 appropriate regulator**]** considers that an authorised person has contravened **[**F1561a relevant requirement imposed on the person,**]** it may impose on him a penalty, in respect of the contravention, of such amount as it considers appropriate.

[F1562(1A) If the FCA considers that a person other than an authorised person has contravened a relevant Part 5A requirement imposed on the person, it may impose on the person a penalty, in respect of the contravention, of such amount as it considers appropriate.**]**

(2) F1563. . . . . .

(3) A penalty under this section is payable to the **[**F1564regulator that imposed the penalty**]**.

Textual Amendments

F1560 Words in s. 206(1) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 12(2)(a)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1561 Words in s. 206(1) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 12(2)(b)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1562 S. 206(1A) inserted (14.1.2025) by The Financial Services and Markets Act 2000 (Designated Activities) (Supervision and Enforcement) Regulations 2025 (S.I. 2025/22), reg. 1(2), **Sch. para. 14**

F1563 S. 206(2) omitted (8.6.2010) by virtue of Financial Services Act 2010 (c. 28), **ss. 10**, 26(2)

F1564 Words in s. 206(3) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 12(3)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

Modifications etc. (not altering text)

C831 Ss. 204A-209 modified by S.I. 2002/1775, reg. 12(1)(1A) (as substituted (24.3.2015) by The Electronic Commerce Directive (Financial Services and Markets) (Amendment) Order 2015 (S.I. 2015/852), arts. 1(2), **2(3)**)

C847 S. 206 excluded (1.12.2001) by S.I. 2001/3592, **arts. 1(2)**, 107(1) (with art. 23(2))
S. 206 restricted (1.12.2001) by S.I. 2001/3592, **arts. 1(2)**, 60(2) (with art. 23(2))
S. 206 modified (1.12.2001) by S.I. 2001/2657, **arts. 1(1)**, 8 (which was revoked (8.10.2001) by S.I. 2001/3083, **arts. 1(2)**, 23); S.I. 2001/3538, **art. 2(1)**
S. 206 modified (1.12.2001) by S.I. 2001/3083, **arts. 1(2)**, 8; S.I. 2001/3538, **art. 2(1)**

C848 S. 206 modified (18.7.2002 for certain purposes and 21.8.2002 otherwise) by The Electronic Commerce Directive (Financial Services and Markets) Regulations 2002 (S.I. 2002/1775), regs. 1, **12(1)**

C849 S. 206 applied (22.7.2013) by The Alternative Investment Fund Managers Regulations 2013 (S.I. 2013/1773), regs. 1, **71(1)(f)**

C850 S. 206 applied (20.4.2015 for specified purposes, 21.12.2015 for specified purposes, 21.3.2016 in so far as not already in force) by The Mortgage Credit Directive Order 2015 (S.I. 2015/910), arts. 1(5), **23(2)(p)** (with Pt. 4)

C851 S. 206 modified (E.W.S.) (29.11.2018 for specified purposes, 1.4.2019 in so far as not already in force) by The Financial Services and Markets Act 2000 (Claims Management Activity) Order 2018 (S.I. 2018/1253), arts. 1(2)(3), **51(2)**(3)

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C852 S. 206 modified (E.W.S.) (29.11.2018 for specified purposes, 1.4.2019 in so far as not already in force) by The Financial Services and Markets Act 2000 (Claims Management Activity) Order 2018 (S.I. 2018/1253), arts. 1(2)(3), **52(4)**(5)

C853 S. 206 applied (31.5.2021) by The Civil Liability Act 2018 (Financial Conduct Authority) (Whiplash) Regulations 2021 (S.I. 2021/594), regs. 1, **2(5)(c)**

C854 S. 206 applied (with modifications) (8.6.2023 for specified purposes, 7.10.2023 in so far as not already in force) by The Financial Services and Markets Act 2000 (Financial Promotion) (Amendment) Order 2023 (S.I. 2023/612), art. 1(2), **Sch. para. 19** (with art. 11)

C855 S. 206 applied (14.1.2025 for specified purposes) by The Short Selling Regulations 2025 (S.I. 2025/29), regs. 2(2)(3), **26(2)**

C856 S. 206 applied (with modifications) (14.1.2025 for specified purposes) by The Short Selling Regulations 2025 (S.I. 2025/29), regs. 2(2)(3), 24, 25, Sch. 1 Pts. 1, **2**

C857 S. 206 applied (with modifications) (1.1.2026) by The Financial Services and Markets Act 2023 (Mutual Recognition Agreement) (Switzerland) Regulations 2025 (S.I. 2025/1145), regs. 1(2), **13(4)**, 36(3)

[F1565206A Suspending permission to carry on regulated activities etc

(1) If the [F1566appropriate regulator] considers that an authorised person has contravened a relevant requirement imposed on the person, it may—

(a) suspend, for such period as it considers appropriate, any permission which the person has to carry on a regulated activity; or

(b) impose, for such period as it considers appropriate, such limitations or other restrictions in relation to the carrying on of a regulated activity by the person as it considers appropriate.

F1567[(1A) The power conferred by subsection (1) is also exercisable by the FCA if it considers that an authorised person has contravened a requirement imposed on the person by—

(a) the Payment Services Regulations [F15682017], or

(b) the Electronic Money Regulations 2011.]

F1569[(1B) The power conferred by subsection (1) may not be exercised in relation to a contravention of a requirement imposed under section 122A, 122B, 122C, 122G, 122H, 122I, [F1570122IA,] 123A or 123B.]

(2) In subsection (1)—

" permission " means any permission that the authorised person has, whether given (or treated as given) by [F1571the FCA or the PRA] or conferred by any provision of this Act;

F1572...

(3) The period for which a suspension or restriction is to have effect may not exceed 12 months.

(4) A suspension may relate only to the carrying on of an activity in specified circumstances.

(5) A restriction may, in particular, be imposed so as to require the person concerned to take, or refrain from taking, specified action.

(6) The [F1573appropriate regulator] may—

(a) withdraw a suspension or restriction; or

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(b) vary a suspension or restriction so as to reduce the period for which it has effect or otherwise to limit its effect.

(7) The power under this section may (but need not) be exercised so as to have effect in relation to all the regulated activities that the person concerned carries on.

(8) Any one or more of the powers under—

(a) subsection (1)(a) and (b) of this section, and

(b) sections 205 and 206,

may be exercised in relation to the same contravention.**]**

Textual Amendments

F1565 S. 206A inserted (8.6.2010) by Financial Services Act 2010 (c. 28), **ss. 9**, 26(2)

F1566 Words in s. 206A(1) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 13(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1567 S. 206A(1A) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 13(3)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1568 Word in s. 206A(1A)(a) substituted (13.1.2018) by The Payment Services Regulations 2017 (S.I. 2017/752), reg. 1(6), **Sch. 8 para. 2(3)** (with reg. 3)

F1569 S. 206A(1B) inserted (3.7.2016) by The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **10(12)**

F1570 Word in s. 206A(1B) inserted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 2 para. 22** (with reg. 7)

F1571 Words in s. 206A(2) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 13(4)(a)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1572 Words in s. 206A(2) omitted (1.4.2013) by virtue of Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 13(4)(b)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1573 Words in s. 206A(6) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 13(5)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

Modifications etc. (not altering text)

C831 Ss. 204A-209 modified by S.I. 2002/1775, reg. 12(1)(1A) (as substituted (24.3.2015) by The Electronic Commerce Directive (Financial Services and Markets) (Amendment) Order 2015 (S.I. 2015/852), arts. 1(2), **2(3)**)

C858 S. 206A modified (E.W.S.) (29.11.2018 for specified purposes, 1.4.2019 in so far as not already in force) by The Financial Services and Markets Act 2000 (Claims Management Activity) Order 2018 (S.I. 2018/1253), arts. 1(2)(3), **52(4)**(5)

C859 S. 206A modified (E.W.S.) (29.11.2018 for specified purposes, 1.4.2019 in so far as not already in force) by The Financial Services and Markets Act 2000 (Claims Management Activity) Order 2018 (S.I. 2018/1253), arts. 1(2)(3), **51(2)**

C860 S. 206A applied (31.5.2021) by The Civil Liability Act 2018 (Financial Conduct Authority) (Whiplash) Regulations 2021 (S.I. 2021/594), regs. 1, **2(5)(d)**

C861 S. 206A applied (with modifications) (14.1.2025 for specified purposes) by The Short Selling Regulations 2025 (S.I. 2025/29), regs. 2(2)(3), 25, **Sch. 1 Pt. 2**

C862 S. 206A(3) modified (E.W.S.) (29.11.2018 for specified purposes, 1.4.2019 in so far as not already in force) by The Financial Services and Markets Act 2000 (Claims Management Activity) Order 2018 (S.I. 2018/1253), arts. 1(2)(3), **48(3)**

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[F1574 206B Prohibition or restriction on carrying on of relevant designated activities

(1) If the FCA considers that a person carrying on a relevant designated activity has contravened a relevant Part 5A requirement imposed on the person in relation to that activity, it may—

(a) prohibit the person, for such period as it considers appropriate, from carrying on that activity, or

(b) impose, for such period as it considers appropriate, such limitations or other restrictions in relation to the carrying on of that activity by the person as it considers appropriate.

(2) A prohibition may relate only to the carrying on of an activity in specified circumstances.

(3) A restriction may, in particular, be imposed so as to require the person concerned to take, or refrain from taking, specified action.

(4) The FCA may, on the application of the person to whom it relates—

(a) withdraw a prohibition or restriction, or

(b) vary a prohibition or restriction so as to reduce the period for which it has effect or otherwise to limit its effect.

(5) The power under this section may, but need not, be exercised so as to have effect in relation to all the relevant designated activities that the person concerned carries on.

(6) Any one or more of the powers under—

(a) subsection (1)(a) and (b) of this section, and

(b) sections 205 and 206,

may be exercised in relation to the same contravention.**]**

Textual Amendments

F1574 S. 206B inserted (14.1.2025) by The Financial Services and Markets Act 2000 (Designated Activities) (Supervision and Enforcement) Regulations 2025 (S.I. 2025/22), reg. 1(2), **Sch. para. 15**

Modifications etc. (not altering text)

C863 S. 206B applied (with modifications) (14.1.2025 for specified purposes) by The Short Selling Regulations 2025 (S.I. 2025/29), regs. 2(2)(3), 24, 25, Sch. 1 Pts. 1, **2**

207 Proposal to take disciplinary measures.

(1) If **[**F1575 a regulator**]** proposes—

(a) to publish a statement in respect of an authorised person (under section **[**F1576 205(1)**]**), F1577 ...

(b) to impose a penalty on an authorised person (under section **[**F1578 206(1)**]**), **[**F1579 or

(c) to suspend a permission of an authorised person or impose a restriction in relation to the carrying on of a regulated activity by an authorised person (under section 206A),**]**

it must give the authorised person a warning notice.

[F1580 (1A) If the FCA proposes—

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(a) to publish a statement in respect of a person under section 205(2),

(b) to impose a penalty on a person under section 206(1A), or

(c) to impose a prohibition or restriction on a person under section 206B,

it must give the person a warning notice.**]**

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

(3) A warning notice about a proposal to impose a penalty, must state the amount of the penalty.

[F1581(4) A warning notice about a proposal to suspend a permission or impose a **[**F1582prohibition or**]** restriction must state the period for which the suspension **[**F1583, prohibition**]** or restriction is to have effect.**]**

Textual Amendments

F1575 Words in s. 207(1) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 14** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1576 Word in s. 207(1)(a) substituted (14.1.2025) by The Financial Services and Markets Act 2000 (Designated Activities) (Supervision and Enforcement) Regulations 2025 (S.I. 2025/22), reg. 1(2), **Sch. para. 16(2)(a)**

F1577 Word in s. 207(1) omitted (8.6.2010) by virtue of Financial Services Act 2010 (c. 28), ss. 24(1), 26(2)(d)(e), **Sch. 2 para. 18(2)**

F1578 Word in s. 207(1)(b) substituted (14.1.2025) by The Financial Services and Markets Act 2000 (Designated Activities) (Supervision and Enforcement) Regulations 2025 (S.I. 2025/22), reg. 1(2), **Sch. para. 16(2)(b)**

F1579 S. 207(1)(c) and preceding word inserted (8.6.2010) by Financial Services Act 2010 (c. 28), ss. 24(1), 26(2)(d)(e), **Sch. 2 para. 18(2)**

F1580 S. 207(1A) inserted (14.1.2025) by The Financial Services and Markets Act 2000 (Designated Activities) (Supervision and Enforcement) Regulations 2025 (S.I. 2025/22), reg. 1(2), **Sch. para. 16(3)**

F1581 S. 207(4) inserted (8.6.2010) by Financial Services Act 2010 (c. 28), ss. 24(1), 26(2)(d)(e), **Sch. 2 para. 18(3)**

F1582 Words in s. 207(4) inserted (14.1.2025) by The Financial Services and Markets Act 2000 (Designated Activities) (Supervision and Enforcement) Regulations 2025 (S.I. 2025/22), reg. 1(2), **Sch. para. 16(4)(a)**

F1583 Word in s. 207(4) inserted (14.1.2025) by The Financial Services and Markets Act 2000 (Designated Activities) (Supervision and Enforcement) Regulations 2025 (S.I. 2025/22), reg. 1(2), **Sch. para. 16(4)(b)**

Modifications etc. (not altering text)

C831 Ss. 204A-209 modified by S.I. 2002/1775, reg. 12(1)(1A) (as substituted (24.3.2015) by The Electronic Commerce Directive (Financial Services and Markets) (Amendment) Order 2015 (S.I. 2015/852), arts. 1(2), **2(3)**)

C864 S. 207 excluded (1.12.2001) by S.I. 2001/3592, **arts. 1(2)**, 61(5), 110(6) (with art. 23(2))

C865 S. 207 modified (18.7.2002 for certain purposes and 21.8.2002 otherwise) by The Electronic Commerce Directive (Financial Services and Markets) Regulations 2002 (S.I. 2002/1775), regs. 1, **12(1)**

C866 Ss. 207-211 applied (22.7.2013) by The Alternative Investment Fund Managers Regulations 2013 (S.I. 2013/1773), regs. 1, **71(3)**

C867 Ss. 207-211 applied (20.4.2015 for specified purposes, 21.12.2015 for specified purposes, 21.3.2016 in so far as not already in force) by The Mortgage Credit Directive Order 2015 (S.I. 2015/910), arts. 1(5), **23(4)** (with Pt. 4)

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C868 S. 207 modified (E.W.S.) (29.11.2018 for specified purposes, 1.4.2019 in so far as not already in force) by The Financial Services and Markets Act 2000 (Claims Management Activity) Order 2018 (S.I. 2018/1253), arts. 1(2)(3), **52(4)**(5)

C869 S. 207 applied (31.5.2021) by The Civil Liability Act 2018 (Financial Conduct Authority) (Whiplash) Regulations 2021 (S.I. 2021/594), regs. 1, **2(5)(e)**

C870 S. 207 applied (with modifications) (8.6.2023 for specified purposes, 7.10.2023 in so far as not already in force) by The Financial Services and Markets Act 2000 (Financial Promotion) (Amendment) Order 2023 (S.I. 2023/612), art. 1(2), **Sch. para. 20** (with art. 11)

C871 S. 207 applied (with modifications) (14.1.2025 for specified purposes) by The Short Selling Regulations 2025 (S.I. 2025/29), regs. 2(2)(3), 24, 25, 26, Sch. 1 Pts. 1, 2, **3**

C872 S. 207 applied (with modifications) (1.1.2026) by The Financial Services and Markets Act 2023 (Mutual Recognition Agreement) (Switzerland) Regulations 2025 (S.I. 2025/1145), regs. 1(2), **13(4)**, 14(7)(a), 18, 36(2)(4), 44(1)(2)

208 Decision notice.

(1) If **[**F1584a regulator**]** decides—

(a) to publish a statement under section **[**F1585205(1)**]** (whether or not in the terms proposed), F1586. . .

(b) to impose a penalty under section **[**F1587206(1)**]** (whether or not of the amount proposed), **[**F1588 or

(c) to suspend a permission or impose a restriction under section 206A (whether or not in the manner proposed),**]**

it must without delay give the authorised person concerned a decision notice.

[F1589(1A) If the FCA decides—

(a) to publish a statement in respect of a person under section 205(2),

(b) to impose a penalty on a person under section 206(1A), or

(c) to impose a prohibition or restriction on a person under section 206B,

it must without delay give the person a decision notice.**]**

(2) In the case of a statement, the decision notice must set out the terms of the statement.

(3) In the case of a penalty, the decision notice must state the amount of the penalty.

[F1590(3A) In the case of a suspension **[**F1591, prohibition**]** or restriction, the decision notice must state the period for which the suspension **[**F1591, prohibition**]** or restriction is to have effect.**]**

(4) If **[**F1592a regulator**]** decides to—

(a) publish a statement in respect of an authorised person under section **[**F1593205(1)**]**, F1594. . .

(b) impose a penalty on an authorised person under section **[**F1595206(1)**]**, **[**F1596 or

(c) suspend a permission of an authorised person, or impose a restriction in relation to the carrying on of a regulated activity by an authorised person, under section 206A,**]**

the authorised person may refer the matter to the Tribunal.

[F1597(5) If the FCA decides to—

(a) publish a statement in respect of a person under section 205(2),

(b) impose a penalty on a person under section 206(1A), or

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(c) impose a prohibition or restriction on a person under section 206B,

the person may refer the matter to the Tribunal.**]**

Textual Amendments

F1584 Words in s. 208(1) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 15** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1585 Word in s. 208(1)(a) substituted (14.1.2025) by The Financial Services and Markets Act 2000 (Designated Activities) (Supervision and Enforcement) Regulations 2025 (S.I. 2025/22), reg. 1(2), **Sch. para. 17(2)(a)**

F1586 Word in s. 208(1) omitted (8.6.2010) by virtue of Financial Services Act 2010 (c. 28), ss. 24(1), 26(2)(d)(e), **Sch. 2 para. 19(2)**

F1587 Word in s. 208(1)(b) substituted (14.1.2025) by The Financial Services and Markets Act 2000 (Designated Activities) (Supervision and Enforcement) Regulations 2025 (S.I. 2025/22), reg. 1(2), **Sch. para. 17(2)(b)**

F1588 S. 208(1)(c) and preceding word inserted (8.6.2010) by Financial Services Act 2010 (c. 28), ss. 24(1), 26(2)(d)(e), **Sch. 2 para. 19(2)**

F1589 S. 208(1A) inserted (14.1.2025) by The Financial Services and Markets Act 2000 (Designated Activities) (Supervision and Enforcement) Regulations 2025 (S.I. 2025/22), reg. 1(2), **Sch. para. 17(3)**

F1590 S. 208(3A) inserted (8.6.2010) by Financial Services Act 2010 (c. 28), ss. 24(1), 26(2)(d)(e), **Sch. 2 para. 19(3)**

F1591 Words in s. 208(3A) inserted (14.1.2025) by The Financial Services and Markets Act 2000 (Designated Activities) (Supervision and Enforcement) Regulations 2025 (S.I. 2025/22), reg. 1(2), **Sch. para. 17(4)**

F1592 Words in s. 208(4) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 15** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1593 Word in s. 208(4)(a) substituted (14.1.2025) by The Financial Services and Markets Act 2000 (Designated Activities) (Supervision and Enforcement) Regulations 2025 (S.I. 2025/22), reg. 1(2), **Sch. para. 17(5)(a)**

F1594 Word in s. 208(4) omitted (8.6.2010) by virtue of Financial Services Act 2010 (c. 28), ss. 24(1), 26(2)(d)(e), **Sch. 2 para. 19(4)**

F1595 Word in s. 208(4)(b) substituted (14.1.2025) by The Financial Services and Markets Act 2000 (Designated Activities) (Supervision and Enforcement) Regulations 2025 (S.I. 2025/22), reg. 1(2), **Sch. para. 17(5)(b)**

F1596 S. 208(4)(c) and preceding word inserted (8.6.2010) by Financial Services Act 2010 (c. 28), ss. 24(1), 26(2)(d)(e), **Sch. 2 para. 19(4)**

F1597 S. 208(5) inserted (14.1.2025) by The Financial Services and Markets Act 2000 (Designated Activities) (Supervision and Enforcement) Regulations 2025 (S.I. 2025/22), reg. 1(2), **Sch. para. 17(6)**

Modifications etc. (not altering text)

C831 Ss. 204A-209 modified by S.I. 2002/1775, reg. 12(1)(1A) (as substituted (24.3.2015) by The Electronic Commerce Directive (Financial Services and Markets) (Amendment) Order 2015 (S.I. 2015/852), arts. 1(2), **2(3)**)

C866 Ss. 207-211 applied (22.7.2013) by The Alternative Investment Fund Managers Regulations 2013 (S.I. 2013/1773), regs. 1, **71(3)**

C867 Ss. 207-211 applied (20.4.2015 for specified purposes, 21.12.2015 for specified purposes, 21.3.2016 in so far as not already in force) by The Mortgage Credit Directive Order 2015 (S.I. 2015/910), arts. 1(5), **23(4)** (with Pt. 4)

C873 S. 208 excluded (1.12.2001) by S.I. 2001/3592, **arts. 1(2)**, 61(5), 110(6) (with art. 23(2))

C874 S. 208 modified (18.7.2002 for certain purposes and 21.8.2002 otherwise) by The Electronic Commerce Directive (Financial Services and Markets) Regulations 2002 (S.I. 2002/1775), regs. 1, **12(1)**

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C875 S. 208 modified (E.W.S.) (29.11.2018 for specified purposes, 1.4.2019 in so far as not already in force) by The Financial Services and Markets Act 2000 (Claims Management Activity) Order 2018 (S.I. 2018/1253), arts. 1(2)(3), **51(2)**(3)

C876 S. 208 modified (E.W.S.) (29.11.2018 for specified purposes, 1.4.2019 in so far as not already in force) by The Financial Services and Markets Act 2000 (Claims Management Activity) Order 2018 (S.I. 2018/1253), arts. 1(2)(3), **52(4)**(5)

C877 S. 208 applied (31.5.2021) by The Civil Liability Act 2018 (Financial Conduct Authority) (Whiplash) Regulations 2021 (S.I. 2021/594), regs. 1, **2(5)(f)**

C878 S. 208 applied (with modifications) (8.6.2023 for specified purposes, 7.10.2023 in so far as not already in force) by The Financial Services and Markets Act 2000 (Financial Promotion) (Amendment) Order 2023 (S.I. 2023/612), art. 1(2), **Sch. para. 21** (with art. 11)

C879 S. 208 applied (with modifications) (14.1.2025 for specified purposes) by The Short Selling Regulations 2025 (S.I. 2025/29), regs. 2(2)(3), 24, 25, 26, Sch. 1 Pts. 1, 2, **3**

C880 S. 208 applied (with modifications) (1.1.2026) by The Financial Services and Markets Act 2023 (Mutual Recognition Agreement) (Switzerland) Regulations 2025 (S.I. 2025/1145), regs. 1(2), **13(4)**, 14(7), 18, 36(2)(4), 44(1)(3)

C881 S. 208(1)(a)(b) modified (1.12.2001) by S.I. 2001/3592, **arts. 1(2)**, 68(2), 69(2) (with art. 23(2))

C882 S. 208(4) excluded (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No. 2) Order 2013 (S.I. 2013/1881), arts. 1(2)(6), **45(3)**

C883 S. 208(4) excluded (E.W.S.) (29.11.2018 for specified purposes, 1.4.2019 in so far as not already in force) by The Financial Services and Markets Act 2000 (Claims Management Activity) Order 2018 (S.I. 2018/1253), arts. 1(2)(3), **48(4)**

C884 S. 208(4) excluded (E.W.S.) (29.11.2018 for specified purposes, 1.4.2019 in so far as not already in force) by The Financial Services and Markets Act 2000 (Claims Management Activity) Order 2018 (S.I. 2018/1253), arts. 1(2)(3), **53(3)**

[F1598 208A Applications under section 206B(4): procedure and right to refer to Tribunal

(1) This section applies to an application under subsection (4) of section 206B for the variation or withdrawal of a prohibition or restriction imposed under that section.

(2) If the FCA decides to grant the application, it must give the applicant written notice of its decision.

(3) If the FCA proposes to refuse the application, it must give the applicant a warning notice.

(4) If the FCA decides to refuse the application, it must give the applicant a decision notice.

(5) If the FCA gives the applicant a decision notice, the applicant may refer the matter to the Tribunal.**]**

Textual Amendments

F1598 S. 208A inserted (14.1.2025) by The Financial Services and Markets Act 2000 (Designated Activities) (Supervision and Enforcement) Regulations 2025 (S.I. 2025/22), reg. 1(2), **Sch. para. 18**

Modifications etc. (not altering text)

C885 S. 208A applied (with modifications) (14.1.2025 for specified purposes) by The Short Selling Regulations 2025 (S.I. 2025/29), regs. 2(2)(3), 24, **Sch. 1 Pt. 1**

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209 Publication.

[F1599(1)**]** After a statement under section **[**F1600205(1)**]** is published, **[**F1601the regulator concerned**]** must send a copy of it to the authorised person and to any person on whom a copy of the decision notice was given under section 393(4).

[F1602(2) After a statement under section 205(2) is published, the FCA must send a copy of it to the person to whom the statement relates and to any person to whom a copy of the decision notice was given under section 393(4).**]**

Textual Amendments

F1599 S. 209 renumbered as s. 209(1) (14.1.2025) by The Financial Services and Markets Act 2000 (Designated Activities) (Supervision and Enforcement) Regulations 2025 (S.I. 2025/22), reg. 1(2), **Sch. para. 19(2)**

F1600 Word in s. 209(1) substituted (14.1.2025) by The Financial Services and Markets Act 2000 (Designated Activities) (Supervision and Enforcement) Regulations 2025 (S.I. 2025/22), reg. 1(2), **Sch. para. 19(3)**

F1601 Words in s. 209 substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 16** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1602 S. 209(2) inserted (14.1.2025) by The Financial Services and Markets Act 2000 (Designated Activities) (Supervision and Enforcement) Regulations 2025 (S.I. 2025/22), reg. 1(2), **Sch. para. 19(4)**

Modifications etc. (not altering text)

C831 Ss. 204A-209 modified by S.I. 2002/1775, reg. 12(1)(1A) (as substituted (24.3.2015) by The Electronic Commerce Directive (Financial Services and Markets) (Amendment) Order 2015 (S.I. 2015/852), arts. 1(2), **2(3)**)

C866 Ss. 207-211 applied (22.7.2013) by The Alternative Investment Fund Managers Regulations 2013 (S.I. 2013/1773), regs. 1, **71(3)**

C867 Ss. 207-211 applied (20.4.2015 for specified purposes, 21.12.2015 for specified purposes, 21.3.2016 in so far as not already in force) by The Mortgage Credit Directive Order 2015 (S.I. 2015/910), arts. 1(5), **23(4)** (with Pt. 4)

C886 S. 209 modified (18.7.2002 for certain purposes and 21.8.2002 otherwise) by The Electronic Commerce Directive (Financial Services and Markets) Regulations 2002 (S.I. 2002/1775), regs. 1, **12(1)**

C887 S. 209 applied (31.5.2021) by The Civil Liability Act 2018 (Financial Conduct Authority) (Whiplash) Regulations 2021 (S.I. 2021/594), regs. 1, **2(5)(g)**

C888 S. 209 applied (with modifications) (8.6.2023 for specified purposes, 7.10.2023 in so far as not already in force) by The Financial Services and Markets Act 2000 (Financial Promotion) (Amendment) Order 2023 (S.I. 2023/612), art. 1(2), **Sch. para. 22** (with art. 11)

C889 S. 209 applied (with modifications) (14.1.2025 for specified purposes) by The Short Selling Regulations 2025 (S.I. 2025/29), regs. 2(2)(3), 24, 25, 26, Sch. 1 Pts. 1, 2, **3**

210 Statements of policy.

(1) **[**F1603Each regulator**]** must prepare and issue a statement of its policy with respect to—

[F1604(a) the imposition of penalties, suspensions **[**F1605, prohibitions**]** or restrictions under this Part;

(b) the amount of penalties under this Part; and

(c) the period for which suspensions **[**F1606, prohibitions**]** or restrictions under this Part are to have effect.**]**

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[F1607(1A) Each regulator's policy with respect to the imposition of penalties, suspensions or restrictions under this Part must include policy with respect to their imposition in relation to conduct which constitutes or may constitute an offence by virtue of section 23(1A) (authorised persons carrying on credit-related regulated activities otherwise than in accordance with permission).**]**

(2) **[**F1608A regulator's**]** policy in determining what the amount of a penalty should be **[**F1609, or what the period for which a suspension **[**F1610, prohibition**]** or restriction is to have effect should be,**]** must include having regard to—

(a) the seriousness of the contravention in question in relation to the nature of the requirement contravened;

(b) the extent to which that contravention was deliberate or reckless; and

(c) whether **[**F1611the person against whom action is to be taken**]** is an individual.

(3) **[**F1612A regulator**]** may at any time alter or replace a statement issued **[**F1613by it**]** under this section.

(4) If a statement issued under this section is altered or **[**F1614replaced by a regulator, the regulator**]** must issue the altered or replacement statement.

(5) **[**F1615A regulator**]** must, without delay, give the Treasury a copy of any statement which it publishes under this section.

(6) A statement issued under this section **[**F1616by a regulator**]** must be published by the **[**F1617regulator**]** in the way appearing to the **[**F1617regulator**]** to be best calculated to bring it to the attention of the public.

(7) In exercising, or deciding whether to exercise, its power under section 206 **[**F1618, 206A or 206B**]** in the case of any particular contravention, **[**F1619a regulator**]** must have regard to any statement published **[**F1620by it**]** under this section and in force at the time when the contravention in question occurred.

(8) The **[**F1621regulator**]** may charge a reasonable fee for providing a person with a copy of the statement.

Textual Amendments

F1603 Words in s. 210(1) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 17(2)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F1604 S. 210(1)(a)-(c) substituted (8.6.2010) for s. 210(1)(a)(b) by Financial Services Act 2010 (c. 28), ss. 24(1), 26(2)(d)(e), **Sch. 2 para. 20(2)**

F1605 Word in s. 210(1)(a) inserted (14.1.2025) by The Financial Services and Markets Act 2000 (Designated Activities) (Supervision and Enforcement) Regulations 2025 (S.I. 2025/22), reg. 1(2), **Sch. para. 20(2)**

F1606 Word in s. 210(1)(c) inserted (14.1.2025) by The Financial Services and Markets Act 2000 (Designated Activities) (Supervision and Enforcement) Regulations 2025 (S.I. 2025/22), reg. 1(2), **Sch. para. 20(2)**

F1607 S. 210(1A) inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 17(3)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F1608 Words in s. 210(2) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 17(4)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

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F1609 Words in s. 210(2) inserted (8.6.2010) by Financial Services Act 2010 (c. 28), ss. 24(1), 26(2)(d)(e), **Sch. 2 para. 20(3)(a)**

F1610 Word in s. 210(2) inserted (14.1.2025) by The Financial Services and Markets Act 2000 (Designated Activities) (Supervision and Enforcement) Regulations 2025 (S.I. 2025/22), reg. 1(2), **Sch. para. 20(3)**

F1611 Words in s. 210(2)(c) substituted (8.6.2010) by Financial Services Act 2010 (c. 28), ss. 24(1), 26(2)(d)(e), **Sch. 2 para. 20(3)(b)**

F1612 Words in s. 210(3) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 17(5)(a)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F1613 Words in s. 210(3) inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 17(5)(b)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F1614 Words in s. 210(4) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 17(6)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F1615 Words in s. 210(5) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 17(7)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F1616 Words in s. 210(6) inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 17(8)(a)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F1617 Word in s. 210(6) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 17(8)(b)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F1618 Words in s. 210(7) substituted (14.1.2025) by The Financial Services and Markets Act 2000 (Designated Activities) (Supervision and Enforcement) Regulations 2025 (S.I. 2025/22), reg. 1(2), **Sch. para. 20(4)**

F1619 Words in s. 210(7) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 17(9)(a)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F1620 Words in s. 210(7) inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 17(9)(b)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F1621 Word in s. 210(8) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 17(10)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

Modifications etc. (not altering text)

C866 Ss. 207-211 applied (22.7.2013) by The Alternative Investment Fund Managers Regulations 2013 (S.I. 2013/1773), regs. 1, **71(3)**

C867 Ss. 207-211 applied (20.4.2015 for specified purposes, 21.12.2015 for specified purposes, 21.3.2016 in so far as not already in force) by The Mortgage Credit Directive Order 2015 (S.I. 2015/910), arts. 1(5), **23(4)** (with Pt. 4)

C890 S. 210 applied (6.3.2008) by The Regulated Covered Bonds Regulations 2008 (S.I. 2008/346), **reg. 36**

C891 S. 210 applied (1.5.2009 for certain purposes and 1.11.2009 otherwise) by The Payment Services Regulations 2009 (S.I. 2009/209), regs. 1(2), **86(6)** (with reg. 3)

C892 S. 210 applied (with modifications) (11.2.2010) by The Cross-Border Payments in Euro Regulations 2010 (S.I. 2010/89), reg. 19, **Sch. para. 3**

C893 S. 210 applied (with modifications) (7.6.2010) by The Credit Rating Agencies Regulations 2010 (S.I. 2010/906), **reg. 22(2)**

C894 S. 210 applied (30.4.2011) by The Electronic Money Regulations 2011 (S.I. 2011/99), **reg. 53(6)** (with reg. 3)

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C895 S. 210 applied (with modifications) (15.1.2013) by The Payments in Euro (Credit Transfers and Direct Debits) Regulations 2012 (S.I. 2012/3122), reg. 1, **Sch. para. 3(1)** (as amended (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 248(6)(h)**)

C896 S. 210 applied (1.4.2013) by The Financial Services and Markets Act 2000 (Over the Counter Derivatives, Central Counterparties and Trade Repositories) Regulations 2013 (S.I. 2013/504), regs. 1(2), **10(8)** (with regs. 52-58)

C897 S. 210 applied (E.W.) (9.7.2013) by The Legal Aid, Sentencing and Punishment of Offenders Act 2012 (Referral Fees) Regulations 2013 (S.I. 2013/1635), regs. 1, **29(2)**

C898 S. 210 excluded (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No. 2) Order 2013 (S.I. 2013/1881), arts. 1(2)(6), **44(2)(8)**, 45(2), 47(6)

C899 S. 210 applied (21.11.2014) by The Central Securities Depositories Regulations 2014 (S.I. 2014/2879), regs. 1(1), **5(8)**

C900 S. 210 applied (12.12.2014) by The Immigration Act 2014 (Bank Accounts) Regulations 2014 (S.I. 2014/3085), regs. 1, **28(2)**

C901 S. 210 applied (with modifications) (1.1.2016) by The Small and Medium Sized Business (Finance Platforms) Regulations 2015 (S.I. 2015/1946), regs. 1(2), **40**

C902 S. 210 applied (with modifications) (1.1.2016) by The Small and Medium Sized Business (Credit Information) Regulations 2015 (S.I. 2015/1945), regs. 1(2), **43**

C903 S. 210 applied (with modifications) (18.9.2016) by The Payment Accounts Regulations 2015 (S.I. 2015/2038), regs. 1(2)(b), **36(6)**(7)

C904 S. 210 applied (13.8.2017) by The Payment Services Regulations 2017 (S.I. 2017/752), regs. 1(2)(a), **112(6)** (with reg. 3)

C905 Ss. 210, 211 applied (with modifications) (1.1.2018) by The Packaged Retail and Insurance-Based Investment Products Regulations 2017 (S.I. 2017/1127), reg. 1, **Sch. 1 para. 3** (as amended (31.12.2020) by S.I. 2019/403, regs. 1(2), **2(4)** (with savings in S.I. 2019/680, **reg. 11**); 2020 c. 1, **Sch. 5 para. 1(1)**)

C906 S. 210 applied (8.6.2023 for specified purposes, 7.10.2023 in so far as not already in force) by The Financial Services and Markets Act 2000 (Financial Promotion) (Amendment) Order 2023 (S.I. 2023/612), art. 1(2), **Sch. para. 1(n)** (with art. 11)

C907 S. 210 applied (with modifications) (14.1.2025 for specified purposes) by The Short Selling Regulations 2025 (S.I. 2025/29), regs. 2(2)(3), 24, 25, 26, Sch. 1 Pts. 1, 2, **3**

C908 S. 210(7) excluded (1.12.2001) by S.I. 2001/3592, **arts. 1(2)**, 110(6) (with art. 23(2))

211 Statements of policy: procedure.

(1) Before **[**[F1622]a regulator issues**]** a statement under section 210, the **[**[F1623]regulator**]** must publish a draft of the proposed statement in the way appearing to the **[**[F1623]regulator**]** to be best calculated to bring it to the attention of the public.

(2) The draft must be accompanied by notice that representations about the proposal may be made to the **[**[F1624]regulator**]** within a specified time.

(3) Before issuing the proposed statement, the **[**[F1624]regulator**]** must have regard to any representations made to it in accordance with subsection (2).

(4) If the **[**[F1624]regulator**]** issues the proposed statement it must publish an account, in general terms, of—

(a) the representations made to it in accordance with subsection (2); and

(b) its response to them.

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(5) If the statement differs from the draft published under subsection (1) in a way which is, in the opinion of the **[**F1625regulator**]**, significant, the **[**F1625regulator**]** must (in addition to complying with subsection (4)) publish details of the difference.

(6) **[**F1626A regulator**]** may charge a reasonable fee for providing a person with a copy of a draft published under subsection (1).

(7) This section also applies to a proposal to alter or replace a statement.

Textual Amendments

F1622 Words in s. 211(1) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 18(2)(a)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F1623 Word in s. 211(1) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 18(2)(b)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F1624 Word in s. 211(2)-(4) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 18(3)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F1625 Word in s. 211(5) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 18(3)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F1626 Words in s. 211(6) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 18(4)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

Modifications etc. (not altering text)

C866 Ss. 207-211 applied (22.7.2013) by The Alternative Investment Fund Managers Regulations 2013 (S.I. 2013/1773), regs. 1, **71(3)**

C867 Ss. 207-211 applied (20.4.2015 for specified purposes, 21.12.2015 for specified purposes, 21.3.2016 in so far as not already in force) by The Mortgage Credit Directive Order 2015 (S.I. 2015/910), arts. 1(5), **23(4)** (with Pt. 4)

C905 Ss. 210, 211 applied (with modifications) (1.1.2018) by The Packaged Retail and Insurance-Based Investment Products Regulations 2017 (S.I. 2017/1127), reg. 1, **Sch. 1 para. 3** (as amended (31.12.2020) by S.I. 2019/403, regs. 1(2), **2(4)** (with savings in S.I. 2019/680, **reg. 11**); 2020 c. 1, **Sch. 5 para. 1(1)**)

C909 S. 211 applied (6.3.2008) by The Regulated Covered Bonds Regulations 2008 (S.I. 2008/346), **reg. 36**

C910 S. 211 applied (1.5.2009 for certain purposes and 1.11.2009 otherwise) by The Payment Services Regulations 2009 (S.I. 2009/209), regs. 1(2), **86(6)** (with reg. 3)

C911 S. 211 applied (with modifications) (11.2.2010) by The Cross-Border Payments in Euro Regulations 2010 (S.I. 2010/89), reg. 19, **Sch. para. 3**

C912 S. 211 applied (with modifications) (7.6.2010) by The Credit Rating Agencies Regulations 2010 (S.I. 2010/906), **reg. 22(2)**

C913 S. 211 applied (30.4.2011) by The Electronic Money Regulations 2011 (S.I. 2011/99), **reg. 53(6)** (with reg. 3)

C914 S. 211 applied (with modifications) (15.1.2013) by The Payments in Euro (Credit Transfers and Direct Debits) Regulations 2012 (S.I. 2012/3122), reg. 1, **Sch. para. 3(1)** (as amended (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 248(6)(h)**)

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C915 S. 211 applied (1.4.2013) by The Financial Services and Markets Act 2000 (Over the Counter Derivatives, Central Counterparties and Trade Repositories) Regulations 2013 (S.I. 2013/504), regs. 1(2), **10(8)** (with regs. 52-58)
C916 S. 211 applied (E.W.) (9.7.2013) by The Legal Aid, Sentencing and Punishment of Offenders Act 2012 (Referral Fees) Regulations 2013 (S.I. 2013/1635), regs. 1, **29(2)**
C917 S. 211 applied (21.11.2014) by The Central Securities Depositories Regulations 2014 (S.I. 2014/2879), regs. 1(1), **5(8)**
C918 S. 211 applied (12.12.2014) by The Immigration Act 2014 (Bank Accounts) Regulations 2014 (S.I. 2014/3085), regs. 1, **28(2)**
C919 S. 211 applied (1.1.2016) by The Small and Medium Sized Business (Credit Information) Regulations 2015 (S.I. 2015/1945), regs. 1(2), **43(1)**
C920 S. 211 applied (with modifications) (1.1.2016) by The Small and Medium Sized Business (Finance Platforms) Regulations 2015 (S.I. 2015/1946), regs. 1(2), **40(1)**
C921 S. 211 applied (18.9.2016) by The Payment Accounts Regulations 2015 (S.I. 2015/2038), regs. 1(2)(b), **36(6)**
C922 S. 211 applied (13.8.2017) by The Payment Services Regulations 2017 (S.I. 2017/752), regs. 1(2)(a), **112(6)** (with reg. 3)
C923 S. 211 applied (8.6.2023 for specified purposes, 7.10.2023 in so far as not already in force) by The Financial Services and Markets Act 2000 (Financial Promotion) (Amendment) Order 2023 (S.I. 2023/612), art. 1(2), **Sch. para. 1(o)** (with art. 11)
C924 S. 211 applied (with modifications) (14.1.2025 for specified purposes) by The Short Selling Regulations 2025 (S.I. 2025/29), regs. 2(2)(3), 24, 25, 26, Sch. 1 Pts. 1, 2, **3**

PART XV

THE FINANCIAL SERVICES COMPENSATION SCHEME

Modifications etc. (not altering text)
C925 Pt. XV (ss. 212-224) excluded (27.4.2002) by The Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (S.I. 2001/544), art. 9J (as inserted by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2002 (S.I. 2002/682), arts. 1(2), **4**)
Pt. XV (ss. 212-224) modified (2.7.2002) by The Financial Services and Markets Act 2000 (Consequential Amendments and Transitional Provisions) (Credit Unions) Order 2002 (S.I. 2002/1501), **art. 5**
C926 Pt. 15 modified (29.9.2008 at 8.00 a.m.) by The Bradford & Bingley plc Transfer of Securities and Property etc. Order 2008 (S.I. 2008/2546), **art. 29** (with art. 30(6))
C927 Pt. 15 modified (7.10.2008 at 9.30 a.m.) by The Heritable Bank plc Transfer of Certain Rights and Liabilities Order 2008 (S.I. 2008/2644), **art. 14** (with art. 15(8)
C928 Pt. 15 modified (8.10.2008 at 12.15 p.m.) by The Kaupthing Singer & Friedlander Limited Transfer of Certain Rights and Liabilities Order 2008 (S.I. 2008/2674), **art. 15** (with art. 16(8))

The scheme manager

212 The scheme manager.

[[F1627](1) The scheme manager" means the body corporate established by the Financial Services Authority under this section as originally enacted.

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

(2) The regulators must take such steps as are necessary to ensure that the scheme manager is, at all times, capable of exercising the functions conferred on it by or under this Part or Part 15A.**]**

(3) The constitution of the scheme manager must provide for it to have—

(a) a chairman; [F1628]...

[[F1629](aa) a chief executive [F1630]...; and**]**

(b) a board (which must include the chairman **[**[F1631]and chief executive**]**) whose members are the scheme manager's directors.

(4) The chairman**[**[F1632], chief executive**]** and other members of the board must be persons appointed, and liable to removal from office, by the **[**[F1633]regulators**]** (acting, in the case of the chairman **[**[F1634]and the chief executive**]**, with the approval of the Treasury).

(5) But the terms of their appointment (and in particular those governing removal from office) must be such as to secure their independence from the **[**[F1635]regulators**]** in the operation of the compensation scheme.

(6) The scheme manager is not to be regarded as exercising functions on behalf of the Crown.

(7) The scheme manager's [F1636]... officers and staff are not to be regarded as Crown servants.

Textual Amendments

F1627 S. 212(1)(2) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 10 para. 2(2)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F1628 Word in s. 212(3) omitted (1.4.2014) by virtue of Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 16(2)(a)**, 148(5); S.I. 2014/377, art. 2(2)(a)

F1629 S. 212(3)(aa) inserted (1.4.2014) by Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 16(2)(b)**, 148(5); S.I. 2014/377, art. 2(2)(a)

F1630 Words in s. 212(3)(aa) omitted (29.8.2023) by virtue of Financial Services and Markets Act 2023 (c. 29), **ss. 62(2)**, 86(2)(h)

F1631 Words in s. 212(3)(b) inserted (1.4.2014) by Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 16(2)(c)**, 148(5); S.I. 2014/377, art. 2(2)(a)

F1632 Words in s. 212(4) inserted (1.4.2014) by Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 16(3)(a)**, 148(5); S.I. 2014/377, art. 2(2)(a)

F1633 Word in s. 212(4) substituted (24.1.2013 for specified purposes) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 10 para. 2(3)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3

F1634 Words in s. 212(4) inserted (1.4.2014) by Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 16(3)(b)**, 148(5); S.I. 2014/377, art. 2(2)(a)

F1635 Word in s. 212(5) substituted (24.1.2013 for specified purposes) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 10 para. 2(3)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3

F1636 Words in s. 212(7) omitted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by virtue of Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 10 para. 2(4)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

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The scheme

213 The compensation scheme.

(1) The **[**F1637regulators**]** must by rules **[**F1638made in accordance with an order under subsection (1A)**]** establish a scheme for compensating persons in **[**F1639cases where—

(a) relevant persons are unable, or likely to be unable, to satisfy claims against them, F1640...

[F1641(aa) relevant exchanges are unable, or likely to be unable, to satisfy claims made against them in connection with a regulated activity relating to a trading facility carried on by the exchange, or**]**

(b) persons who have assumed responsibility for liabilities arising from acts or omissions of relevant persons **[**F1642or relevant exchanges**]** ("successors") are unable, or likely to be unable, to satisfy claims against the successors that are based on those acts or omissions.**]**

[F1643(1A) The Treasury must by order specify—

(a) the cases in which the FCA may, or may not, make rules under subsection (1), and

(b) the cases in which the PRA may, or may not, make rules under that subsection.**]**

(2) The rules **[**F1644(taken together)**]** are to be known as the Financial Services Compensation Scheme (but are referred to in this Act as "the compensation scheme").

(3) The compensation scheme must, in particular, provide for the scheme manager—

[F1645(a) to assess and pay compensation, in accordance with the scheme, to claimants in respect of claims made in connection with—

(i) a regulated activity carried on (whether or not with permission) by relevant persons; and

(ii) a regulated activity relating to a trading facility carried on (whether or not in accordance with any requirements relating to that activity resulting from section 286) by relevant exchanges; and

(b) to have power to impose levies for the purpose of meeting its expenses (including in particular expenses incurred, or expected to be incurred, in paying compensation, borrowing or insuring risks)—

(i) on authorised persons, or any class of authorised person;

(ii) on recognised investment exchanges carrying on a regulated activity relating to a trading facility, or any class of such exchanges; or

(iii) on authorised persons and on recognised investment exchanges carrying on a regulated activity relating to a trading facility, or on any class of such persons and exchanges.**]**

[F1646(4) The compensation scheme may provide for the scheme manager to have power to impose levies—

(a) on authorised persons, or any class of authorised person;

(b) on recognised investment exchanges carrying on a regulated activity relating to a trading facility, or any class of such exchanges; or

(c) on authorised persons and on recognised investment exchanges carrying on a regulated activity relating to a trading facility, or on any class of such persons and exchanges,

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for the purpose of recovering the cost (whenever incurred) of establishing the scheme.**]**

[F1647(5) In making any provision of the scheme by virtue of subsection (3)(b), the regulators must take account of the desirability of ensuring that the amount of the levies imposed on a particular —

(a) class of authorised person;

(b) class of recognised investment exchange carrying on a regulated activity relating to a trading facility; or

(c) class of authorised person and of recognised investment exchanges carrying on a regulated activity relating to a trading facility;

reflects, so far as is practicable, the amount of claims **[**F1648or recapitalisation payments within the meaning of section 214E, as the case may be,**]** made, or likely to be made in respect of that class of person, exchange, or persons and exchanges.**]**

[F1649(5A) The compensation scheme may not allow the scheme manager to impose levies on credit unions in relation to recapitalisation payments under section 214E.

(5B) In subsection (5A), the reference to "credit unions" is to credit unions within the meaning of—

(a) the Credit Unions Act 1979 (see section 31);

(b) the Credit Unions (Northern Ireland) Order 1985 (S.I. 1985/1205 (N.I. 12)) (see Article 2).**]**

(6) An amount payable to the scheme manager as a result of any provision of the scheme made by virtue of subsection (3)(b) or (4) may be recovered as a debt due to the scheme manager.

(7) Sections 214 to 217 make further provision about the scheme but are not to be taken as limiting the power conferred on the **[**F1637regulators**]** by subsection (1).

(8) In those sections "specified" means specified in the scheme.

(9) In this Part (except in sections 219, 220 or 224) "relevant person" means a person who was—

(a) an authorised person at the time the act or omission giving rise to the claim against him **[**F1650, or against a successor falling within subsection (1)(b),**]** took place; or

(b) an appointed representative at that time.

[F1651(10A) But a person is not to be regarded as a relevant person in relation to a regulated activity if, at that time, the person—

(a) was a Gibraltar-based person with a Schedule 2A permission to carry on the activity, and

(b) fell within a prescribed category, either generally or in relation to the activity.

(10B) Regulations prescribing a category of person for the purposes of subsection (10A) may, among other things, make provision by reference to—

(a) whether the activity is carried on through a branch in the United Kingdom;

(b) the level of protection provided by the compensation scheme and by any comparable scheme operating in Gibraltar.**]**

F1652(10) . . . . . .

F1652(11) . . . . . .

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[F1653(12) In this Part (except in sections 220 and 224) "relevant exchange" means a body corporate or unincorporated association which was a recognised investment exchange carrying on a regulated activity relating to a trading facility at the time the act or omission giving rise to the claim against it, or against a successor falling within subsection (1)(b), took place.

(13) In this Part "regulated activity relating to a trading facility" means—

(a) the regulated activity of operating a multilateral trading facility; or

(b) the regulated activity of operating an organised trading facility.**]**

[F1654(14) In this Part, "funeral plan contract" has the same meaning as in article 59(2) of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001.**]**

Textual Amendments

F1637 Word in s. 213 substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 10 para. 3(2)** (with Sch. 20); S.I. 2013/113, art. 2(1)(b)(c), Sch. Pts. 2, 3; S.I. 2013/423, art. 3, Sch.

F1638 Words in s. 213(1) inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 10 para. 3(3)(a)** (with Sch. 20); S.I. 2013/113, art. 2(1)(b)(c), Sch. Pts. 2, 3; S.I. 2013/423, art. 3, Sch.

F1639 Words in s. 213(1) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 10 para. 3(3)(b)** (with Sch. 20); S.I. 2013/113, art. 2(1)(b)(c), Sch. Pts. 2, 3; S.I. 2013/423, art. 3, Sch.

F1640 Word in s. 213(1)(a) omitted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by virtue of The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 2 para. 23(2)(a)** (with reg. 7)

F1641 S. 213(1)(aa) inserted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 2 para. 23(2)(b)** (with reg. 7)

F1642 Words in s. 213(1)(b) inserted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 2 para. 23(2)(c)** (with reg. 7)

F1643 S. 213(1A) inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 10 para. 3(4)** (with Sch. 20); S.I. 2013/113, art. 2(1)(b)(c), Sch. Pts. 2, 3; S.I. 2013/423, art. 3, Sch.

F1644 Words in s. 213(2) inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 10 para. 3(5)** (with Sch. 20); S.I. 2013/113, art. 2(1)(b)(c), Sch. Pts. 2, 3; S.I. 2013/423, art. 3, Sch.

F1645 S. 213(3)(a)(b) substituted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 2 para. 23(3)(a)** (with reg. 7)

F1646 S. 213(4) substituted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 2 para. 23(4)** (with reg. 7)

F1647 S. 213(5) substituted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets

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Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 2 para. 23(5)** (with reg. 7)

F1648 Words in s. 213(5) inserted (16.7.2025) by Bank Resolution (Recapitalisation) Act 2025 (c. 15), **ss. 6(2)(a)**, 8(2); S.I. 2025/872, reg. 2(f)

F1649 S. 213(5A)(5B) inserted (16.7.2025) by Bank Resolution (Recapitalisation) Act 2025 (c. 15), **ss. 6(2)(b)**, 8(2); S.I. 2025/872, reg. 2(f)

F1650 Words in s. 213(9)(a) inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 10 para. 3(6)** (with Sch. 20); S.I. 2013/113, art. 2(1)(b)(c), Sch. Pts. 2, 3; S.I. 2013/423, art. 3, Sch.

F1651 S. 213(10A)(10B) inserted (1.9.2023) by Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 8 para. 7**; S.I. 2023/934, reg. 2(b)(iii)

F1652 S. 213(10)(11) omitted (31.12.2020) by virtue of The EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018 (S.I. 2018/1149), reg. 1(3), **Sch. para. 14** (with savings in reg. 4 and S.I. 2019/680, regs. 1(2), **11** (with reg. 11(8)-(10) (as amended by S.I. 2020/1301, regs. 1, 3, Sch. para. 40(f))); 2020 c. 1, Sch. 5 para. 1(1)

F1653 S. 213(12)(13) inserted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 2 para. 23(6)** (with reg. 7)

F1654 S. 213(14) inserted (16.5.2022 for specified purposes, 29.7.2022 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2022 (S.I. 2022/466), arts. 1(3), **6(4)**

Modifications etc. (not altering text)

C929 S. 213 modified (31.12.2020) by The EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018 (S.I. 2018/1149), regs. 1(3), **24(2)** (as amended by S.I. 2020/1301, regs. 1, 3, **Sch. para. 2(a)** and (1.1.2024) by S.I. 2023/1410, regs. 1(2), **14**)

C930 S. 213 modified (31.12.2020) by The EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018 (S.I. 2018/1149), regs. 1(3), **70(2)** (as inserted by S.I. 2019/105, regs. 1(2), **5(1)** and as amended by S.I. 2019/1010, regs. 1(3), **5** and S.I. 2020/1301, regs. 1, 3, **Sch. para. 2(b)**)

C931 S. 213(3)(a) excluded (31.10.2004) by The Financial Services and Markets Act 2000 (Transitional Provisions) (Mortgages) Order 2004 (S.I. 2004/2615), arts. 1(2), 5, **Sch. para. 8**

C932 S. 213(3)(a) excluded (14.1.2005) by The Financial Services and Markets Act 2000 (Transitional Provisions) (General Insurance Intermediaries) Order 2004 (S.I. 2004/3351), arts. 1(2), **6**

C933 S. 213(3)(a) excluded (26.7.2013 for specified purposes, 2.9.2013 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No.2) Order 2013 (S.I. 2013/1881), arts. 1(2)(5), **59(8)**

C934 S. 213(9) excluded (2.7.2002) by The Financial Services and Markets Act 2000 (Consequential Amendments and Transitional Provisions) (Credit Unions) Order 2002 (S.I. 2002/1501), **art. 5(1)**

Commencement Information

I28 S. 213 wholly in force at 18.6.2001; s. 213 not in force at Royal Assent see s. 431(2); s. 213(10) in force for certain purposes at 25.2.2001 by S.I. 2001/516, art. 2(b), **Sch. Pt. 2**; s. 213 in force in so far as not already in force at 18.6.2001 by S.I. 2001/1820, art. 2, **Sch.**

Provisions of the scheme

214 General.

(1) The compensation scheme may, in particular, make provision—

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(a) as to the circumstances in which a relevant person **[**F1655or relevant exchange**]** is to be taken (for the purposes of the scheme) to be unable, or likely to be unable, to satisfy claims made against him **[**F1656or it**]**;

[F1657(aa) as to the circumstances in which a successor falling within section 213(1)(b) is to be taken (for the purposes of the scheme) to be unable, or likely to be unable, to satisfy claims against the successor that are based on the acts or omissions of a relevant person **[**F1658or relevant exchange**]**;**]**

(b) for the establishment of different funds for meeting different kinds of claim;

(c) for the imposition of different levies in different cases;

(d) limiting the levy payable by a person in respect of a specified period;

(e) for repayment of the whole or part of a levy in specified circumstances;

(f) for a claim to be entertained only if it is made by a specified kind of claimant;

(g) for a claim to be entertained only if it falls within a specified kind of claim;

(h) as to the procedure to be followed in making a claim;

(i) for the making of interim payments before a claim is finally determined;

(j) limiting the amount payable on a claim to a specified maximum amount or a maximum amount calculated in a specified manner;

(k) for payment to be made, in specified circumstances, to a person other than the claimant.

[F1659(1A) Rules by virtue of subsection (1)(h) may, in particular, allow the scheme manager to treat persons who are or may be entitled to claim under the scheme as if they had done so.

(1B) A reference in any enactment or instrument to a claim or claimant under this Part includes a reference to a deemed claim or claimant in accordance with subsection (1A).

(1C) Rules by virtue of subsection (1)(j) may, in particular, allow, or be subject to rules which allow, the scheme manager to settle a class of claim by payment of sums fixed without reference to, or by modification of, the normal rules for calculation of maximum entitlement for individual claims.**]**

(2) Different provision may be made with respect to different kinds of claim.

(3) The scheme may provide for the determination and regulation of matters relating to the scheme by the scheme manager.

(4) The scheme, or particular provisions of the scheme, may be made so as to apply only in relation to—

(a) activities carried on,

(b) claimants,

(c) matters arising, or

(d) events occurring,

in specified territories, areas or localities.

F1660(5) . . . . . .

(6) The scheme may provide for the scheme manager to have power—

(a) in specified circumstances,

(b) but only if the scheme manager is satisfied that the claimant is entitled to receive a payment in respect of his claim—

(i) under a scheme which is comparable to the compensation scheme, or

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(ii) as the result of a guarantee given by a government or other authority,

to make a full payment of compensation to the claimant and recover the whole or part of the amount of that payment from the other scheme or under that guarantee.

Textual Amendments

F1655 Words in s. 214(1)(a) inserted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 2 para. 24(a)(i)** (with reg. 7)

F1656 Words in s. 214(1)(a) inserted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 2 para. 24(a)(ii)** (with reg. 7)

F1657 S. 214(1)(aa) inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 10 para. 4** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F1658 Words in s. 214(1)(aa) inserted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 2 para. 24(b)** (with reg. 7)

F1659 S. 214(1A)-(1C) inserted (17.2.2009 for certain purposes and 21.2.2009 otherwise) by Banking Act 2009 (c. 1), **ss. 174(1)**, 263(1)(2) (with s. 247); S.I. 2009/296, **arts. 2**, **3**, Sch.

F1660 S. 214(5) omitted (31.12.2020) by virtue of The EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018 (S.I. 2018/1149), reg. 1(3), **Sch. para. 15** (with reg. 4); 2020 c. 1, Sch. 5 para. 1(1)

Modifications etc. (not altering text)

C935 S. 214(5) modified (31.12.2020) by The Gibraltar (Miscellaneous Amendments) (EU Exit) Regulations 2019 (S.I. 2019/680), regs. 1(2), **11(3)**(4)(6) (with reg. 11(8)-(10) (as amended by S.I. 2020/1301, regs. 1, 3, Sch. para. 40(f))); 2020 c. 1, Sch. 5 para. 1(1)

Commencement Information

I29 S. 214 wholly in force at 18.6.2001; s. 214 not in force at Royal Assent see s. 431(2); s. 214(5) in force for certain purposes at 25.2.2001 by S.I. 2001/516, art. 2(b), **Sch. Pt. 2**; s. 214 in force in so far as not already in force at 18.6.2001 by S.I. 2001/1820, art. 2, **Sch.**

PROSPECTIVE

[F1661 214A Contingency funding

(1) The Treasury may make regulations ("contingency fund regulations") permitting the scheme manager to impose levies under section 213 for the purpose of maintaining contingency funds from which possible expenses may be paid.

(2) Contingency fund regulations may make provision about the establishment and management of contingency funds; in particular, the regulations may make provision about—

(a) the number and size of funds;

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(b) the circumstances and timing of their establishment;

(c) the classes of person from whom contributions to the funds may be levied;

(d) the amount and timing of payments into and out of funds (which may include provision for different levies for different classes of person);

(e) refunds;

(f) the ways in which funds' contents may be invested (including (i) the extent of reliance on section 223A, and (ii) the application of investment income);

(g) the purposes for which funds may be applied, but only so as to determine whether a fund is to be used (i) for the payment of compensation, (ii) for the purposes of co-operating with a bank liquidator in accordance with section 99 of the Banking Act 2009, or (iii) for contributions under section 214B;

(h) procedures to be followed in connection with funds, including the keeping of records and the provision of information.

(3) The compensation scheme may include provision about contingency funds provided that it is not inconsistent with contingency fund regulations.**]**

Textual Amendments

F1661 S. 214A inserted (prosp.) by Banking Act 2009 (c. 1), **ss. 170(1)**, 263(1)(2) (with s. 247)

[F1662[F1663214B Contribution to costs of special resolution regime

(1) This section applies if—

(a) a stabilisation power under Part 1 of the Banking Act 2009 has been exercised in respect of a bank, building society **[**F1664, credit union or investment firm**]** within the meaning of that Part ("the institution"); and

(b) the Treasury think that the institution was or was likely to have been, or but for the exercise of the power would have become, unable to satisfy claims against it.

(2) The Treasury may require the scheme manager to make payments (to the Treasury or any other person) in respect of expenses of a prescribed description incurred (by the Treasury or that person) in connection with the exercise of the power.

(3) Subsection (2) is subject to section 214C (limit on amount of special resolution regime payments).

(4) In subsection (2) "expenses" includes interest at a specified rate on the difference, at any time, between—

(a) the total amount of expenses (including interest) incurred at or before that time; and

(b) the total amount recovered, or received from the scheme manager, in respect of the institution, at or before that time, by—

(i) the Treasury; and

(ii) any other person who has incurred expenses in connection with the exercise of the power that are of a description prescribed under subsection (2).

(5) Any payment made by the scheme manager under subsection (2) is to be treated for the purposes of this Part as an expense under the compensation scheme.

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(6) In this section and section 214C "specified rate" means a rate specified by the Treasury.

(7) Different rates may be specified under different provisions or for different periods.

(8) A rate may be specified by reference to a rate set (from time to time) by any person.**]]**

Textual Amendments

F1662 S. 214B inserted (17.2.2009 for certain purposes and 21.2.2009 otherwise) by Banking Act 2009 (c. 1), **ss. 171(1)**, 263(1)(2) (with s. 247); S.I. 2009/296, **arts. 2**, **3**, Sch.

F1663 Ss. 214B-214D substituted (8.4.2010) for s. 214B by Financial Services Act 2010 (c. 28), **ss. 16(1)**, 26(1)

F1664 Words in s. 214B(1)(a) substituted (1.8.2014) by Financial Services Act 2012 (c. 21), **ss. 101(10)**, 122(3) (with Sch. 20); S.I. 2014/1847, art. 2

Modifications etc. (not altering text)

C936 S. 214B applied (with modifications) (17.2.2009 for certain purposes and 21.2.2009 otherwise) by Banking Act 2009 (c. 1), **ss. 83(2)(h)(i)**, 263(1)(2) (with s. 247); S.I. 2009/296, **arts. 2**, **3**, Sch.

C937 Ss. 214B-214D applied (with modifications) (8.4.2010) by Financial Services Act 2010 (c. 28), **ss. 16(2)**, 26(1)

C938 S. 214B applied (with modifications) by 2009 c. 1, s. 81CA(7) (as inserted (31.12.2014) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 2 para. 7(2)**; S.I. 2014/3160, art. 2(1)(b))

[F1665 214C Limit on amount of special resolution regime payments

(1) The total amount of special resolution regime payments required to be made in respect of a person ("the institution") may not exceed—

(a) notional net expenditure (see subsection (3)), minus

(b) actual net expenditure (see subsection (4)).

(2) A "special resolution regime payment" is—

(a) a payment under section 214B(2); or

(b) a payment required to be made by the scheme manager by virtue of section 61 of the Banking Act 2009 (special resolution regime: compensation).

(3) Notional net expenditure is—

(a) the total amount of expenses that would have been incurred under the compensation scheme in respect of the institution if the stabilisation power had not been exercised and the institution had been unable to satisfy claims against it, minus

(b) the total amount that would have been likely, at the time when the power was exercised, to be recovered by the scheme manager in respect of the institution in those circumstances.

(4) Actual net expenditure is—

(a) the total amount of expenses (other than special resolution regime payments) actually incurred by the scheme manager in respect of the institution, minus

(b) the total amount actually recovered by the scheme manager in respect of the institution.

(5) In subsection (3)(a) "expenses" includes interest at a specified rate on the difference, at any time, between—

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(a) the total amount of expenses (including interest) that would have been incurred as mentioned in subsection (3)(a) at or before that time; and

(b) the total amount that would have been likely to have been recovered as mentioned in subsection (3)(b) at or before that time.

(6) In subsection (4)(a) "expenses" includes interest at a specified rate on the difference, at any time, between—

(a) the total amount of expenses (including special resolution regime payments and interest) actually incurred by the scheme manager in respect of the institution at or before that time; and

(b) the total amount actually recovered by the scheme manager in respect of the institution at or before that time.

(7) In paragraph (b) of subsections (3) to (6) references to amounts recovered (or likely to have been recovered) by the scheme manager do not include any levy received (or likely to have been received) by it.

Textual Amendments

F1665 Ss. 214B-214D substituted (8.4.2010) for s. 214B by Financial Services Act 2010 (c. 28), **ss. 16(1)**, 26

Modifications etc. (not altering text)

C939 Ss. 214B-214D applied (with modifications) (8.4.2010) by Financial Services Act 2010 (c. 28), **ss. 16(2)**, 26(1)

214D Contributions under section 214B: supplementary

(1) This section supplements sections 214B and 214C.

(2) The scheme manager must determine—

(a) the amounts of expenses (other than interest) that would have been incurred as mentioned in section 214C(3)(a); and

(b) the time or times at which those amounts would have been likely to have been incurred.

(3) The Treasury, or a person designated by the Treasury, must in accordance with regulations appoint a person ("the valuer") to determine—

(a) the amounts that would have been likely, at the time when the stabilisation power was exercised, to be recovered as mentioned in section 214C(3)(b); and

(b) the time or times at which those amounts would have been likely to be recovered.

The person appointed under this subsection may be the person appointed as valuer under section 54 of the Banking Act 2009 in respect of the exercise of the stabilisation power.

(4) Regulations may enable the Treasury to specify principles to be applied by—

(a) the scheme manager when exercising functions under subsection (2); or

(b) the valuer when exercising functions under subsection (3).

(5) The regulations may in particular enable the Treasury to require the scheme manager or valuer—

(a) to use, or not to use, specified methods;

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(b) to take specified matters into account in a specified manner; or

(c) not to take specified matters into account.

(6) Regulations—

(a) must provide for independent verification of expenses within section 214B(2);

(b) may provide for the independent verification of other matters; and

(c) may contain provision about the appointment and payment of an auditor.

(7) Regulations—

(a) must contain provision enabling the valuer to reconsider a decision;

(b) must provide a right of appeal to a court or tribunal against any decision of the valuer;

(c) may provide for payment of the valuer; and

(d) may apply (with or without modifications) or make provision corresponding to—

(i) any provision of sections 54 to 56 of the Banking Act 2009; or

(ii) any provision made, or that could be made, by virtue of any of those sections.

(8) Regulations may make provision for payments under section 214B(2) to be made—

(a) before any verification required by the regulations is undertaken, and

(b) before the limit imposed by section 214C is calculated,

subject to any necessary later adjustment.

(9) If they do so they must provide that the amount of any payment required by virtue of subsection (8) must not be such as to give rise to an expectation that an amount will be required to be repaid to the scheme manager (once any necessary verification has been undertaken and the limit imposed by section 214C has been calculated).

(10) Regulations may—

(a) make provision supplementing section 214B or 214C or this section;

(b) make further provision about the method by which amounts to be paid under section 214B(2) are to be determined;

(c) make provision about timing;

(d) make provision about procedures to be followed;

(e) provide for discretionary functions to be exercised by a specified body or by persons of a specified class; and

(f) make provision about the resolution of disputes (which may include provision conferring jurisdiction on a court or tribunal).

(11) "Regulations" means regulations made by the Treasury.

(12) Any payment made by the Treasury by virtue of this section is to be met out of money provided by Parliament.

(13) The compensation scheme may make provision about payments under section 214B(2) and levies in connection with such payments (except provision inconsistent with any provision made by or under section 214B or 214C or this section).**]**

Textual Amendments

F1665 Ss. 214B-214D substituted (8.4.2010) for s. 214B by Financial Services Act 2010 (c. 28), **ss. 16(1)**, 26

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Modifications etc. (not altering text)

C940 Ss. 214B-214D applied (with modifications) (8.4.2010) by Financial Services Act 2010 (c. 28), **ss. 16(2)**, 26(1)

[F1666 214E Recapitalisation payments

(1) The Bank of England may require the scheme manager to make a recapitalisation payment to the Bank or another person where the Bank has exercised or decided to exercise a stabilisation power under Part 1 of the Banking Act 2009 in respect of a financial institution so as to achieve—

(a) a sale of the institution to a private sector purchaser (see section 11 of that Act), or

(b) a transfer of the institution to a bridge bank (see section 12 of that Act).

(2) A recapitalisation payment is a payment in respect of the Bank's estimate of—

(a) the costs likely to be required for the recapitalisation of the financial institution, and

(b) any other expenses that the Bank or a relevant person has incurred or might incur in connection with the recapitalisation of the institution or the exercise of the stabilisation power.

(3) Before exercising the power in subsection (1), the Bank must consult the scheme manager.

(4) A recapitalisation payment made by the scheme manager under subsection (1) is to be treated for the purposes of this Part as an expense under the compensation scheme.

(5) In subsection (2)(b), "relevant person" means—

(a) the Treasury,

(b) a bridge bank, or

(c) an asset management vehicle.

(6) In this section, "bridge bank" and "asset management vehicle" have the meanings given by sections 12 and 12ZA, respectively, of the Banking Act 2009.

(7) In this section and in section 214H, "financial institution" means a bank, building society or investment firm (within the meanings of Part 1 of the Banking Act 2009).**]**

Textual Amendments

F1666 S. 214E inserted (16.7.2025) by Bank Resolution (Recapitalisation) Act 2025 (c. 15), **ss. 1**, 8(2); S.I. 2025/872, reg. 2(a)

[F1667 214F Recapitalisation payment: report

(1) This section applies where the Bank of England requires the scheme manager to make a recapitalisation payment under section 214E.

(2) The Bank must report to the Chancellor of the Exchequer about—

(a) the exercise of the power to require a recapitalisation payment to be made, and

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(b) the stabilisation power and the stabilisation option to which the payment relates.

(3) The report ("the final report") must—

(a) comply with such requirements as to content, and

(b) be provided within such period or at such time,

as the Treasury may specify.

(4) The Bank must provide an interim report if—

(a) the period specified under subsection (3)(b) is a period of more than 3 months beginning with the day on which the Bank requires the recapitalisation payment in question ("the first 3 months"), or the time specified under subsection (3)(b) is after the first 3 months, and

(b) the Bank does not provide the final report within the first 3 months.

(5) An interim report must—

(a) comply with such requirements as to content as the Treasury may specify, and

(b) be provided within the first 3 months.

(6) Subject to subsection (7), the Chancellor of the Exchequer must lay each report, and any interim report, before Parliament.

(7) The Chancellor of the Exchequer may omit from the report, and any interim report, any information which the Chancellor of the Exchequer considers it would not be in the public interest to publish.**]**

Textual Amendments

F1667 S. 214F inserted (16.7.2025) by Bank Resolution (Recapitalisation) Act 2025 (c. 15), **ss. 2**, 8(2); S.I. 2025/872, reg. 2(b)

[F1668 214G Notification to Parliamentary Committees

(1) Where the Bank of England requires the scheme manager to make a recapitalisation payment under section 214E, the Bank must, as soon as reasonably practicable, notify in writing the chair of each relevant Parliamentary Committee that it has done so.

(2) The relevant Parliamentary Committees are—

(a) the Treasury Committee of the House of Commons, and

(b) the Financial Services Regulation Committee of the House of Lords.

(3) A reference to a committee in subsection (2)—

(a) if the name of that committee is changed, is to be treated as a reference to that committee by its new name, and

(b) if the functions of that committee (or substantially corresponding functions) become functions of a different committee, is to be treated as a reference to the committee by which those functions are exercisable.

(4) Any question arising under subsection (3) is to be determined by—

(a) the Speaker of the House of Commons, in relation to committees of the House of Commons, and

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(b) the Chairman of Committees of the House of Lords, in relation to committees of the House of Lords.**]**

Textual Amendments

F1668 S. 214G inserted (16.7.2025) by Bank Resolution (Recapitalisation) Act 2025 (c. 15), **ss. 3**, 8(2); S.I. 2025/872, reg. 2(c)

[F1669 214H Reimbursement in respect of a recapitalisation payment

(1) The Bank must reimburse the scheme manager for any recapitalisation payment, or any part of a recapitalisation payment, relating to a financial institution, which is not needed to cover the costs and expenses mentioned in section 214E(2)(a) and (b) because—

(a) those costs and expenses were lower than the Bank expected, or

(b) the Bank recovers an amount in relation to the financial institution which it can use to defray those costs and expenses.

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

(a) the reference to the Bank recovering an amount in relation to the financial institution includes recovering an amount as a result of the sale of the institution or the institution being wound up or otherwise;

(b) where more than one recapitalisation payment is required in relation to a financial institution, references to a recapitalisation payment are to be read as references to the sum of those payments;

(c) the reference to the sale of a financial institution in paragraph (a) is to the sale of all or part of the business of the financial institution as part of, or as a result of, the achievement of a stabilisation option.**]**

Textual Amendments

F1669 S. 214H inserted (16.7.2025) by Bank Resolution (Recapitalisation) Act 2025 (c. 15), **ss. 4**, 8(2); S.I. 2025/872, reg. 2(d)

215 [F1670 Rights of the scheme in insolvency]

[F1671(1) The compensation scheme may make provision—

(a) about the effect of a payment of compensation under the scheme on rights or obligations arising out of matters in connection with which the compensation was paid;

(b) giving the scheme manager a right of recovery in respect of those rights or obligations.**]**

(2) Such a right of recovery conferred by the scheme does not, in the event of **[**F1672a person's insolvency**]**, exceed such right (if any) as the claimant would have had in that event.

[F1673(2ZA) The compensation scheme may also make provision in relation to a relevant person, or to a successor of a description falling within section 213(1)(b), who enters into or

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carries out funeral plan contracts and is unable, or likely to be unable, to satisfy claims made against them—

(a) about rights or obligations in connection with any trust or contract of insurance relating to the funeral plan contracts entered into or carried out by such a person or successor;

(b) about the effect of a payment of compensation, or of a payment in connection with securing continuity of funeral plan contracts under the scheme, on rights and obligations arising out of matters in connection with which the payment was made;

(c) giving the scheme manager a right of recovery in respect of the rights or obligations referred to in paragraphs (a) and (b).

(2ZB) The amount required to be paid to the scheme manager under such a right of recovery conferred by the scheme may not exceed the amount paid or (in the opinion of the scheme manager) to be paid out by the scheme manager in connection with those funeral plan contracts.

(2ZC) For the purposes of subsection (2ZA)(a), the provision that may be made includes—

(a) provision in respect of rights or obligations that came into existence before or after the date on which that subsection comes into force;

(b) provision to vary existing rights or obligations;

(c) provision to create new rights in favour of, or obligations to, the scheme manager which override existing rights or obligations.**]**

[F1674(2A) Any payment made by the scheme manager under section 214B(2) in connection with the exercise of a stabilisation power in respect of a bank, building society or credit union is to be treated as a debt due to the scheme manager from that bank, building society or (as the case may be) credit union.

(2B) In **[**F1675subsection (2A)**]**—

"bank" has the meaning given in section 2 of the Banking Act 2009;

"building society" has the meaning given in the Building Societies Act 1986;

"credit union" means a credit union within the meaning of—

(a) the Credit Unions Act 1979; or

(b) article 2 of the Credit Unions (Northern Ireland) Order 1985.**]**

(3) If a person other than the scheme manager **[**F1676makes an administration application under Schedule B1 to the 1986 Act or **[**F1677Schedule B1 to**]** the 1989 Order**]** in relation to **[**F1678—

(a) a company or partnership which is a relevant person; or

(b) a body corporate or unincorporated association which is a relevant exchange;

the scheme manager has the same rights as are conferred on the regulators by section 362.**]**

[F1679(3A) In subsection (3) the reference to making an administration application includes a reference to—

(a) appointing an administrator under paragraph 14 or 22 of Schedule B1 to the 1986 Act **[**F1680or paragraph 15 or 23 of Schedule B1 to the 1989 Order**]**, or

(b) filing with the court a copy of notice of intention to appoint an administrator under **[**F1681any**]** of those paragraphs.**]**

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(4) If a person other than the scheme manager presents a petition for the winding up of a body which is a relevant person **[**F1682or relevant exchange**]** , the scheme manager has the same rights as are conferred on the **[**F1683regulators**]** by section 371.

(5) If a person other than the scheme manager presents a bankruptcy petition to the court in relation to an individual who, or an entity which, is a relevant person, the scheme manager has the same rights as are conferred on the **[**F1683regulators**]** by section 374.

(6) Insolvency rules may be made for the purpose of integrating any procedure for which provision is made as a result of subsection (1) into the general procedure on the administration of a company or partnership or on a winding-up, bankruptcy or sequestration.

(7) "Bankruptcy petition" means a petition to the court—

(a) under section 264 of the 1986 Act or Article 238 of the 1989 Order for a bankruptcy order to be made against an individual;

(b) under section **[**F1684 2 or 5 of the 2016**]** Act for the sequestration of the estate of an individual; or

(c) under section 6 of the **[**F1685 2016**]** Act for the sequestration of the estate belonging to or held for or jointly by the members of an entity mentioned in subsection (1) of that section.

(8) "Insolvency rules" are—

(a) for England and Wales, rules made under sections 411 and 412 of the 1986 Act;

(b) for Scotland, rules made by order by the Treasury, after consultation with the Scottish Ministers, for the purposes of this section; and

(c) for Northern Ireland, rules made under Article 359 of the 1989 Order and section 55 of the M15Judicature (Northern Ireland) Act 1978.

(9) F1686... "the 1986 Act", "the 1989 Order" **[**F1687, "the 2016 Act"**]** and "court" have the same meaning as in Part XXIV.

Textual Amendments

F1670 S. 215: heading substituted (17.2.2009 for certain purposes and 21.2.2009 otherwise) by virtue of Banking Act 2009 (c. 1), **ss. 175(4)**, 263(1)(2) (with s. 247); S.I. 2009/296, **arts. 2**, **3**, Sch.

F1671 S. 215(1) substituted (17.2.2009 for certain purposes and 21.2.2009 otherwise) by Banking Act 2009 (c. 1), **ss. 175(2)**, 263(1)(2) (with s. 247); S.I. 2009/296, **arts. 2**, **3**, Sch.

F1672 Words in s. 215(2) substituted (17.2.2009 for certain purposes and 21.2.2009 otherwise) by Banking Act 2009 (c. 1), **ss. 175(3)**, 263(1)(2) (with s. 247); S.I. 2009/296, **arts. 2**, **3**, Sch.

F1673 S. 215(2ZA)-(2ZC) inserted (16.5.2022 for specified purposes, 29.7.2022 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2022 (S.I. 2022/466), arts. 1(3), **6(5)(a)**

F1674 S. 215(2A)(2B) inserted (26.3.2015) by The Deposit Guarantee Scheme Regulations 2015 (S.I. 2015/486), regs. 1(2), **13(3)**

F1675 Words in s. 215(2B) substituted (16.5.2022 for specified purposes, 29.7.2022 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2022 (S.I. 2022/466), arts. 1(3), **6(5)(b)**

F1676 Words in s. 215(3) substituted (15.9.2003) by Enterprise Act 2002 (c. 40), ss. 248(3), 279, **Sch. 17 para. 54(2)**; S.I. 2003/2093, **art. 2(1)**, Sch. 1 (subject to arts. 1(3)-(5), 3-8 (as amended by S.I. 2003/2332, art. 2))

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F1677 Words in s. 215(3) substituted (N.I.) (27.3.2006) by The Insolvency (Northern Ireland) Order 2005 (S.I. 2005/1455 (N.I. 10)), arts. 1(3), 3(3), **Sch. 2 para. 57(2)**; S.R. 2006/21, **art. 2** (subject to S.R. 2006/22, arts. 2-7)

F1678 Words in s. 215(3) substituted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 2 para. 25(2)** (with reg. 7)

F1679 S. 215(3A) inserted (15.9.2003) by Enterprise Act 2002 (c. 40), ss. 248(3), 279, **Sch. 17 para. 54(3)**; S.I. 2003/2093, **art. 2(1)**, Sch. 1 (subject to arts. 1(3)-(5), 3-8 (as amended by S.I. 2003/2332, art. 2))

F1680 Words in s. 215(3A)(a) inserted (N.I.) (27.3.2006) by The Insolvency (Northern Ireland) Order 2005 (S.I. 2005/1455 (N.I. 10)), arts. 1(3), 3(3), **Sch. 2 para. 57(3)(a)**; S.R. 2006/21, **art. 2** (subject to S.R. 2006/22, arts. 2-7)

F1681 Word in s. 215(3A)(b) substituted (N.I.) (27.3.2006) by The Insolvency (Northern Ireland) Order 2005 (S.I. 2005/1455 (N.I. 10)), arts. 1(3), 3(3), **Sch. 2 para. 57(3)(b)**; S.R. 2006/21, **art. 2** (subject to S.R. 2006/22, arts. 2-7)

F1682 Words in s. 215(4) inserted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 2 para. 25(3)** (with reg. 7)

F1683 Word in s. 215 substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 10 para. 5** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F1684 Words in s. 215(7)(b) substituted (30.11.2016) by The Bankruptcy (Scotland) Act 2016 (Consequential Provisions and Modifications) Order 2016 (S.I. 2016/1034), art. 1, **Sch. 1 para. 20(2)(a)(i)**

F1685 Word in s. 215(7)(c) substituted (30.11.2016) by The Bankruptcy (Scotland) Act 2016 (Consequential Provisions and Modifications) Order 2016 (S.I. 2016/1034), art. 1, **Sch. 1 para. 20(2)(a)(ii)**

F1686 Words in s. 215(9) omitted (30.11.2016) by virtue of The Bankruptcy (Scotland) Act 2016 (Consequential Provisions and Modifications) Order 2016 (S.I. 2016/1034), art. 1, **Sch. 1 para. 20(2)(b)(i)**

F1687 Words in s. 215(9) inserted (30.11.2016) by The Bankruptcy (Scotland) Act 2016 (Consequential Provisions and Modifications) Order 2016 (S.I. 2016/1034), art. 1, **Sch. 1 para. 20(2)(b)(ii)**

Modifications etc. (not altering text)

C941 S. 215 modified (21.2.2009) by The Banking Act 2009 (Parts 2 and 3 Consequential Amendments) Order 2009 (S.I. 2009/317), **art. 5(1)(2)**

C942 S. 215 applied (with modifications) (8.2.2011 with application in accordance with reg. 27(a) of the applying S.I.) by The Investment Bank Special Administration Regulations 2011 (S.I. 2011/245), reg. 27, **Sch. 6 Pt. 2 para. 3(2)** (as amended (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 198(s)(i)** (with Sch. 2 para. 213))

C943 S. 215 applied (with modifications) (E.W.S.) (6.4.2014) by The Industrial and Provident Societies and Credit Unions (Arrangements, Reconstructions and Administration) Order 2014 (S.I. 2014/229), arts. 1, **5** (with art. 10)

C944 S. 215(3)(4)(6) applied (with modifications) (6.4.2001 for E.W.S and 13.9.2004 for N.I.) by S.I. 2001/1090, regs. 1, 6; S.R. 2004/307, **reg. 6**

Commencement Information

I30 S. 215 wholly in force at 18.6.2001; s. 215 not in force at Royal Assent see s. 431(2); s. 215(6)(8)(9) in force at 25.2.2001 by S.I. 2001/516, art. 2(a), **Sch. Pt. 1**; s. 215 in force in so far as not already in force at 18.6.2001 by S.I. 2001/1820, art. 2, **Sch.**

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Marginal Citations
M15 1978 c. 23.

[F1688 215A Continuity etc. of funeral plan contracts

(1) The compensation scheme may, in particular, include provision requiring or enabling the scheme manager to make arrangements for securing continuity of cover for—

(a) plan holders;

(b) plan holders of a specified class;

(c) plan holders of funeral plan contracts of a specified class.

(2) In this section—

"plan holder" means—

(a) a person who has a funeral plan contract with a relevant funeral plan provider, or

(b) a person whose funeral is to be provided or secured under a funeral plan contract with a relevant funeral plan provider;

"relevant funeral plan provider" means a relevant person who—

(a) has permission to enter into or carry out a funeral plan contract as provider, and

(b) is unable, or likely to be unable, to satisfy claims made against them.

(3) The scheme may provide for the scheme manager to take such measures as appear to it to be appropriate—

(a) for securing or facilitating the transfer of a relevant funeral plan provider's business so far as it consists of the carrying out of funeral plan contracts, or of any part of that business, to another authorised person;

(b) for securing the issue by another authorised person to the plan holders concerned of funeral plan contracts in substitution for their existing contracts.

(4) The scheme may also provide for the scheme manager to make, or secure the making of, payments to a plan holder or to any other person in connection with the provision of a funeral—

(a) during any period while the scheme manager is seeking to make arrangements mentioned in subsection (1);

(b) if it appears to the scheme manager that it is not reasonably practicable to make such arrangements.

(5) The scheme may also provide, in relation to the administration or winding up of a relevant funeral plan provider, for the scheme manager to make payments—

(a) in specified circumstances,

(b) but only if the scheme manager is satisfied that such payments are made in respect of any reasonable fees, costs, charges or other expenses reasonably and exclusively incurred for the purposes of complying with a request of the scheme manager under section 215B,

to, or on behalf of, the relevant funeral plan provider or to the administrator or liquidator of the funeral plan provider.

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(6) A provision of the scheme made by virtue of section 213(3)(b) may include the power to impose levies for the purpose of meeting expenses of the scheme manager incurred in—

(a) taking measures as a result of any provision of the scheme made by virtue of subsection (3);

(b) making, or securing the making of, payments as a result of any provision of the scheme made by virtue of subsection (4) or (5).

Textual Amendments

F1688 Ss. 215A, 215B inserted (16.5.2022 for specified purposes, 29.7.2022 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2022 (S.I. 2022/466), arts. 1(3), **6(6)**

215B Scheme manager's power to require assistance from liquidator etc. in relation to funeral plan contracts

(1) This section applies in relation to the administration or winding up of a relevant funeral plan provider.

(2) The administrator or liquidator of the relevant funeral plan provider must, at the request of the scheme manager, provide any assistance identified by the scheme manager as being necessary—

(a) to enable the scheme manager to administer the compensation scheme in relation to funeral plan contracts, and

(b) to enable the scheme manager to secure continuity of cover in relation to funeral plan contracts.

(3) "Relevant funeral plan provider" has the meaning given in section 215A.**]**

Textual Amendments

F1688 Ss. 215A, 215B inserted (16.5.2022 for specified purposes, 29.7.2022 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2022 (S.I. 2022/466), arts. 1(3), **6(6)**

216 Continuity of long-term insurance policies.

(1) The compensation scheme may, in particular, include provision requiring the scheme manager to make arrangements for securing continuity of insurance for policyholders, or policyholders of a specified class, of relevant long-term insurers.

(2) "Relevant long-term insurers" means relevant persons who—

(a) have permission to effect or carry out contracts of long-term insurance; and

(b) are unable, or likely to be unable, to satisfy claims made against them.

(3) The scheme may provide for the scheme manager to take such measures as appear to him to be appropriate—

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(a) for securing or facilitating the transfer of a relevant long-term insurer's business so far as it consists of the carrying out of contracts of long-term insurance, or of any part of that business, to another authorised person;

(b) for securing the issue by another authorised person to the policyholders concerned of policies in substitution for their existing policies.

(4) The scheme may also provide for the scheme manager to make payments to the policyholders concerned—

(a) during any period while he is seeking to make arrangements mentioned in subsection (1);

(b) if it appears to him that it is not reasonably practicable to make such arrangements.

(5) A provision of the scheme made by virtue of section 213(3)(b) may include power to impose levies for the purpose of meeting expenses of the scheme manager incurred in—

(a) taking measures as a result of any provision of the scheme made by virtue of subsection (3);

(b) making payments as a result of any such provision made by virtue of subsection (4).

217 Insurers in financial difficulties.

(1) The compensation scheme may, in particular, include provision for the scheme manager to have power to take measures for safeguarding policyholders, or policyholders of a specified class, of relevant insurers.

(2) "Relevant insurers" means relevant persons who—

(a) have permission to effect or carry out contracts of insurance; and

(b) are in financial difficulties.

(3) The measures may include such measures as the scheme manager considers appropriate for—

(a) securing or facilitating the transfer of a relevant insurer's business so far as it consists of the carrying out of contracts of insurance, or of any part of that business, to another authorised person;

(b) giving assistance to the relevant insurer to enable it to continue to effect or carry out contracts of insurance.

(4) The scheme may provide—

(a) that if measures of a kind mentioned in subsection (3)(a) are to be taken, they should be on terms appearing to the scheme manager to be appropriate, including terms reducing, or deferring payment of, any of the things to which any of those who are eligible policyholders in relation to the relevant insurer are entitled in their capacity as such;

(b) that if measures of a kind mentioned in subsection (3)(b) are to be taken, they should be conditional on the reduction of, or the deferment of the payment of, the things to which any of those who are eligible policyholders in relation to the relevant insurer are entitled in their capacity as such;

(c) for ensuring that measures of a kind mentioned in subsection (3)(b) do not benefit to any material extent persons who were members of a relevant insurer when it began to be in financial difficulties or who had any responsibility for,

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or who may have profited from, the circumstances giving rise to its financial difficulties, except in specified circumstances;

(d) for requiring the scheme manager to be satisfied that any measures he proposes to take are likely to cost less than it would cost to pay compensation under the scheme if the relevant insurer became unable, or likely to be unable, to satisfy claims made against him.

(5) The scheme may provide for the **[**[F1689]either regulator or both regulators**]** to have power—

(a) to give such assistance to the scheme manager as it considers appropriate for assisting the scheme manager to determine what measures are practicable or desirable in the case of a particular relevant insurer;

(b) to impose constraints on the taking of measures by the scheme manager in the case of a particular relevant insurer;

(c) to require the scheme manager to provide it with information about any particular measures which the scheme manager is proposing to take.

(6) The scheme may include provision for the scheme manager to have power—

(a) to make interim payments in respect of eligible policyholders of a relevant insurer;

(b) to indemnify any person making payments to eligible policyholders of a relevant insurer.

(7) A provision of the scheme made by virtue of section 213(3)(b) may include power to impose levies for the purpose of meeting expenses of the scheme manager incurred in—

(a) taking measures as a result of any provision of the scheme made by virtue of subsection (1);

(b) making payments or giving indemnities as a result of any such provision made by virtue of subsection (6).

(8) "Financial difficulties" and "eligible policyholders" have such meanings as may be specified.

Textual Amendments

F1689 Words in s. 217(5) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 10 para. 6** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

[[F1690]**217ZA Insurers subject to write-down orders**

(1) The compensation scheme must include provision requiring the scheme manager to take specified measures for safeguarding policyholders affected by write-down orders.

(2) A person ("P") is a policyholder affected by a write-down order if—

(a) P is a policyholder of an insurer in respect of whom a write-down order has effect, and

(b) the value of any thing to which P is (or may become) entitled, in P's capacity as a policyholder of the insurer, is reduced under the write-down order.

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(3) Measures specified by virtue of subsection (1) must, in particular, require financial assistance to be given to insurers subject to write-down orders for the purpose mentioned in subsection (4).

(4) The purpose is to enable payments to be made to affected policyholders in respect of the reduction in value of their entitlements (or contingent entitlements), as mentioned in subsection (2)(b).

(5) Financial assistance given under this section—

(a) must not be used for any purpose other than the purpose mentioned in subsection (4);

(b) is not to be taken into account, to any extent, in valuing the assets of the insurer for any purpose.

(6) Measures taken by the scheme manager by virtue of this section are in addition to any measures the scheme manager may take under powers provided by virtue of section 217(1).

(7) In this section and section 217ZB—

"insurer" means a relevant person who has permission to carry out contracts of insurance;

"write-down order" means an order under section 377A (as it has effect in accordance with section 377H).**]**

Textual Amendments

F1690 Ss. 217ZA, 217ZB inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), s. 86(2)(e), **Sch. 12 para. 5**

[F1690 217ZB Recovery of financial assistance under section 217ZA

(1) The compensation scheme may make provision giving the scheme manager a right of recovery in respect of financial assistance given to an insurer by virtue of section 217ZA.

(2) Any right of recovery the scheme manager has in respect of financial assistance given to an insurer by virtue of subsection (1) must not be exercised against a policyholder of the insurer.

(3) Subsection (4) applies where, by virtue of subsection (1), the scheme manager has a right of recovery in respect of financial assistance given to an insurer.

(4) In valuing the insurer's liabilities for the purposes of a relevant insolvency provision, no account is to be taken of any expectation that the right will be exercised.

(5) In subsection (4), "relevant insolvency provision" has the same meaning as in paragraph 9 of Schedule 19B (treatment of written-down liabilities for purposes of relevant insolvency provisions).**]**

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Textual Amendments

F1690 Ss. 217ZA, 217ZB inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), s. 86(2)(e), **Sch. 12 para. 5**

[F1691 Relationship with the regulators

Textual Amendments

F1691 S. 217A and cross-heading inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 10 para. 7** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

217A Co-operation

(1) Each regulator and the scheme manager must take such steps as they consider appropriate to co-operate with each other in the exercise of their functions under this Part and Part 15A.

(2) Each regulator and the scheme manager must prepare and maintain a memorandum describing how that regulator and the scheme manager intend to comply with subsection (1).

(3) The scheme manager must ensure that the memoranda as currently in force are published in the way appearing to it to be best calculated to bring them to the attention of the public.**]**

[F1692 Annual plan and report]

Textual Amendments

F1692 S. 218 cross-heading substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 10 para. 8** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

[F1693 217B Annual plan

(1) The scheme manager must in respect of each of its financial years prepare an annual plan.

(2) The plan must be prepared before the start of the financial year.

(3) An annual plan in respect of a financial year must make provision about the use of the resources of the scheme manager.

(4) The plan may include material relating to periods longer than the financial year in question.

(5) Before preparing an annual plan, the scheme manager must consult such persons (if any) as the scheme manager considers appropriate.

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(6) The scheme manager must publish each annual plan in the way it considers appropriate.**]**

Textual Amendments

F1693 S. 217B inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 10 para. 9** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

218 Annual report.

(1) At least once a year, the scheme manager must make a report to the **[**F1694regulators**]** on the discharge of its functions.

(2) The report must—

(a) include a statement setting out the value of each of the funds established by the compensation scheme; and

(b) comply with any requirements specified in rules made by the **[**F1695regulators**]**.

(3) The scheme manager must publish each report in the way it considers appropriate.

[F1696(4) The Treasury may—

(a) require the scheme manager to comply with any provisions of the Companies Act 2006 about accounts and their audit which would not otherwise apply to it, or

(b) direct that any such provision of that Act is to apply to the scheme manager with such modifications as are specified in the direction.

(5) Compliance with any requirement under subsection (4)(a) or (b) is enforceable by injunction or, in Scotland, an order for specific performance under section 45 of the Court of Session Act 1988.

(6) Proceedings under subsection (5) may be brought only by the Treasury.**]**

Textual Amendments

F1694 Word in s. 218(1) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 10 para. 10(2)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F1695 Word in s. 218(2)(b) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 10 para. 10(2)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F1696 S. 218(4)-(6) inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 10 para. 10(3)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

[F1697218ZA Audit of accounts

(1) The scheme manager must send a copy of its annual accounts to the Comptroller and Auditor General and the Treasury as soon as is reasonably practicable.

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(2) The Comptroller and Auditor General must—

(a) examine, certify and report on accounts received under this section, and

(b) send a copy of the certified accounts and the report to the Treasury.

(3) The Treasury must lay the copy of the certified accounts and the report before Parliament.

(4) The scheme manager must send a copy of the certified accounts and the report to the regulators.

(5) Except as provided by section 218(4), the scheme manager is exempt from the requirements of Part 16 of the Companies Act 2006 (audit), and its balance sheet must contain a statement to that effect.

(6) In this section "annual accounts" has the meaning given by section 471 of the Companies Act 2006.**]**

Textual Amendments

F1697 S. 218ZA inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 10 para. 11** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

Information and documents

[F1698 218A [F1699 Regulators'] power to require information

[F1700 (1) Each regulator may make rules enabling that regulator to require authorised persons **[F1701** or recognised investment exchanges carrying on a regulated activity relating to a trading facility**]** to—

(a) provide information to the scheme manager on the request of that regulator or the scheme manager; or

(b) provide information to that regulator, which may then be made available to the scheme manager by that regulator.**]**

(2) A requirement may be imposed only if the **[F1702** regulator**]** thinks the information is of a kind that may be of use to the scheme manager in connection with functions in respect of the scheme.

(3) A requirement under this section may apply—

(a) to authorised persons generally or only to specified persons or classes of person;

[F1703 (aa) to recognised investment exchanges mentioned in subsection (1) generally or only to specified exchanges or classes of exchange;**]**

(b) to the provision of information at specified periods, in connection with specified events or in other ways.

(4) In addition to requirements under this section, a notice under section 165 may relate to information or documents which the **[F1704** regulator**]** thinks are reasonably required by the scheme manager in connection with the performance of functions in respect of the scheme; and section 165(4) is subject to this subsection.

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(5) Rules under subsection (1) shall be prepared, made and treated in the same way as (and may be combined with) the **[**F1705regulator's**]** general rules.**]**

Textual Amendments

F1698 S. 218A inserted (17.2.2009 for certain purposes and 21.2.2009 otherwise) by Banking Act 2009 (c. 1), **ss. 176(1)**, 263(1)(2) (with s. 247); S.I. 2009/296, **arts. 2**, **3**, Sch.

F1699 Word in s. 218A heading substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 10 para. 12(5)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F1700 S. 218A(1) substituted (26.3.2015) by The Deposit Guarantee Scheme Regulations 2015 (S.I. 2015/486), regs. 1(2), **13(4)**

F1701 Words in s. 218A(1) inserted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 2 para. 26(2)** (with reg. 7)

F1702 Word in s. 218A(2) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 10 para. 12(3)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F1703 S. 218A(3)(aa) inserted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 2 para. 26(3)** (with reg. 7)

F1704 Word in s. 218A(4) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 10 para. 12(3)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F1705 Word in s. 218A(5) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 10 para. 12(4)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F1706 218B Treasury's power to require information from scheme manager

. . . . . .

Textual Amendments

F1706 S. 218B omitted (29.8.2023) by virtue of Financial Services and Markets Act 2023 (c. 29), **ss. 62(3)**, 86(2)(h)

219 Scheme manager's power to require information.

(1) The scheme manager may, by notice in writing **[**F1707require a person**]**—

(a) to provide specified information or information of a specified description; or

(b) to produce specified documents or documents of a specified description.

[F1708(1A) A requirement may be imposed only—

(a) on a person (P) against whom a claim has been made under the scheme,

(b) on a person (P) who is unable or likely to be unable to satisfy claims under the scheme against P,

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[F1709(ba) on a person (P) who is an insurer who has been given financial assistance under section 217ZA,**]**

(c) on a person ("the Third Party") whom the scheme manager thinks was knowingly involved in matters giving rise to a claim against another person (P) under the scheme, F1710...

(d) on a person ("the Third Party") whom the scheme manager thinks was knowingly involved in matters giving rise to the actual or likely inability of another person (P) to satisfy claims under the scheme **[**F1711, or

(e) on a person ("the Third Party") whom the scheme manager thinks is or was at any relevant time involved in any contract of insurance or in the administration of any trust arrangement relating to a funeral plan contract entered into or carried out by a person (P)—

(i) against whom a claim has been made under the scheme, or

(ii) who is unable or likely to be unable to satisfy claims under the scheme against P.**]**

(1B) For the purposes of subsection (1A)(b) **[**F1712, (d) and (e)(ii)**]** whether P is unable or likely to be unable to satisfy claims shall be determined in accordance with provision to be made by the scheme (which may, in particular—

(a) apply or replicate, with or without modifications, a provision of an enactment;

(b) confer discretion on a specified person).**]**

(2) The information or documents must be provided or produced—

(a) before the end of such reasonable period as may be specified; and

(b) in the case of information, in such manner or form as may be specified.

(3) This section applies only to information and documents the provision or production of which the scheme manager considers**[**F1713 to be necessary (or likely to be necessary) for the fair determination of claims which have been or may be made against P**]**.

[F1714(3A) Where a stabilisation power under Part 1 of the Banking Act 2009 has been exercised in respect of a bank, **[**F1715building society or credit union,**]** the scheme manager may by notice in writing require **[**F1716the bank, building society or credit union, or the Bank of England,**]** to provide information that the scheme manager requires for the purpose of **[**F1717determining the matters mentioned in section 214D(2)(a) and (b) above**].]**

(4) If a document is produced in response to a requirement imposed under this section, the scheme manager may—

(a) take copies or extracts from the document; or

(b) require the person producing the document to provide an explanation of the document.

(5) If a person who is required under this section to produce a document fails to do so, the scheme manager may require the person to state, to the best of his knowledge and belief, where the document is.

(6) If **[**F1718P**]** is insolvent, no requirement may be imposed under this section on a person to whom section 220 or 224 applies.

(7) If a person claims a lien on a document, its production under this Part does not affect the lien.

(8) F1719. . . . . .

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

(9) "Specified" means specified in the notice given under subsection (1).

(10) F1720. . . . . .

Textual Amendments

F1707 Words in s. 219(1) substituted (17.2.2009 for certain purposes and 21.2.2009 otherwise) by Banking Act 2009 (c. 1), **ss. 176(3)**, 263(1)(2) (with s. 247); S.I. 2009/296, **arts. 2**, **3**, Sch.

F1708 S. 219(1A)-(1B) inserted (17.2.2009 for certain purposes and 21.2.2009 otherwise) by Banking Act 2009 (c. 1), **ss. 176(4)**, 263(1)(2) (with s. 247); S.I. 2009/296, **arts. 2**, **3**, Sch.

F1709 S. 219(1A)(ba) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), s. 86(2)(e), **Sch. 12 para. 6**

F1710 Word in s. 219(1A)(c) omitted (16.5.2022 for specified purposes, 29.7.2022 in so far as not already in force) by virtue of The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2022 (S.I. 2022/466), arts. 1(3), **6(7)(a)**

F1711 S. 219(1A)(e) and word inserted (16.5.2022 for specified purposes, 29.7.2022 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2022 (S.I. 2022/466), arts. 1(3), **6(7)(b)**

F1712 Words in s. 219(1B) substituted (16.5.2022 for specified purposes, 29.7.2022 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2022 (S.I. 2022/466), arts. 1(3), **6(7)(c)**

F1713 Words in s. 219(3) substituted (17.2.2009 for certain purposes and 21.2.2009 otherwise) by Banking Act 2009 (c. 1), **ss. 176(5)**, 263(1)(2) (with s. 247); S.I. 2009/296, **arts. 2**, **3**, Sch.

F1714 S. 219(3A) inserted (17.2.2009 for certain purposes and 21.2.2009 otherwise) by Banking Act 2009 (c. 1), **ss. 176(6)**, 263(1)(2) (with s. 247); S.I. 2009/296, **arts. 2**, **3**, Sch.

F1715 Words in s. 219(3A) inserted (8.4.2010) by Financial Services Act 2010 (c. 28), **ss. 21(8)(a)**, 26(1)

F1716 Words in s. 219(3A) substituted (8.4.2010) by Financial Services Act 2010 (c. 28), **ss. 21(8)(b)**, 26(1)

F1717 Words in s. 219(3A) substituted (8.4.2010) by Financial Services Act 2010 (c. 28), ss. 24(1), 26(1), **Sch. 2 para. 22**

F1718 Word in s. 219(6) substituted (17.2.2009 for certain purposes and 21.2.2009 otherwise) by Banking Act 2009 (c. 1), **ss. 176(7)**, 263(1)(2) (with s. 247); S.I. 2009/296, **arts. 2**, **3**, Sch.

F1719 S. 219(8) omitted (17.2.2009 for certain purposes and 21.2.2009 otherwise) by virtue of Banking Act 2009 (c. 1), **ss. 176(8)**, 263(1)(2) (with s. 247); S.I. 2009/296, **arts. 2**, **3**, Sch.

F1720 S. 219(10) omitted (17.2.2009 for certain purposes and 21.2.2009 otherwise) by virtue of Banking Act 2009 (c. 1), **ss. 176(9)**, 263(1)(2) (with s. 247); S.I. 2009/296, **arts. 2**, **3**, Sch.

Modifications etc. (not altering text)

C945 S. 219 extended (1.12.2001) by S.I. 2001/2967, **arts. 1(2)**, 7(a), 12(4)(a); S.I. 2001/3538, **art. 2(1)**

C946 S. 219(2)(4)(5)(7) applied (7.10.2008 at 9.30 a.m.) by The Heritable Bank plc Transfer of Certain Rights and Liabilities Order 2008 (S.I. 2008/2644), **art. 16** (with art. 15(8))

C947 S. 219(2)(4)(5)(7) applied (8.10.2008 at 10.10 a.m.) by The Transfer of Rights and Liabilities to ING Order 2008 (S.I. 2008/2666), **art. 13(3)**

C948 S. 219(2)(4)(5)(7) applied (8.10.2008 at 12.15 p.m.) by The Kaupthing Singer & Friedlander Limited Transfer of Certain Rights and Liabilities Order 2008 (S.I. 2008/2674), **art. 17(3)** (with art. 16(8))

220 Scheme manager's power to inspect information held by liquidator etc.

(1) For the purpose of assisting the scheme manager to discharge its functions in relation to a claim made in respect of an insolvent relevant person **[**F1721or insolvent relevant exchange**]**, a person to whom this section applies must permit a person authorised by the scheme manager to inspect relevant documents.

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

(2) A person inspecting a document under this section may take copies of, or extracts from, the document.

(3) This section applies to—

(a) the administrative receiver, administrator, liquidator **[**F1722, bank liquidator**][**F1723, building society liquidator**]** or trustee in bankruptcy of an insolvent relevant person **[**F1724or insolvent relevant exchange**]**;

(b) the **[**F1725trustee in the sequestration, under the Bankruptcy (Scotland) Act 2016, of**]** the estate of an insolvent relevant person **[**F1726or insolvent relevant exchange**]**.

(4) This section does not apply to a liquidator, administrator or trustee in bankruptcy who is—

(a) the Official Receiver;

(b) the Official Receiver for Northern Ireland; or

(c) the Accountant in Bankruptcy.

(5) "Relevant person" **[**F1727and "relevant exchange"**][**F1728have**]** the same meaning as in section 224.

Textual Amendments

F1721 Words in s. 220(1) inserted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 2 para. 27(2)** (with reg. 7)

F1722 Words in s. 220(3)(a) inserted (17.2.2009 for certain purposes and 21.2.2009 otherwise) by Banking Act 2009 (c. 1), **ss. 123(3)**, 263(1)(2) (with s. 247); S.I. 2009/296, **arts. 2**, **3**, Sch.

F1723 Words in s. 220(3)(a) inserted (29.3.2009) by The Building Societies (Insolvency and Special Administration) Order 2009 (S.I. 2009/805), **art. 15**

F1724 Words in s. 220(3)(a) inserted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 2 para. 27(3)(a)** (with reg. 7)

F1725 Words in s. 220(3)(b) substituted (30.11.2016) by The Bankruptcy (Scotland) Act 2016 (Consequential Provisions and Modifications) Order 2016 (S.I. 2016/1034), art. 1, **Sch. 1 para. 20(3)**

F1726 Words in s. 220(3)(b) inserted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 2 para. 27(3)(b)** (with reg. 7)

F1727 Words in s. 220(5) inserted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 2 para. 27(4)(a)** (with reg. 7)

F1728 Word in s. 220(5) substituted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 2 para. 27(4)(b)** (with reg. 7)

Modifications etc. (not altering text)

C949 S. 220 extended (1.12.2001) by S.I. 2001/2967, **arts. 1(2)**, 8, 12(4)(c); S.I. 2001/3538, **art. 2(1)**

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C950 S. 220(3) applied (with modifications) (8.2.2011 with application in accordance with reg. 27(a) of the applying S.I.) by The Investment Bank Special Administration Regulations 2011 (S.I. 2011/245), reg. 27, **Sch. 6 Pt. 2 para. 3(3)**

[F1729 220A Power to inspect information held by write-down manager

(1) For the purpose of assisting the scheme manager to discharge its functions under section 217ZA or 217ZB in relation to an insurer, a person to whom this section applies must permit a person authorised by the scheme manager to inspect relevant documents.

(2) This section applies to a person appointed under section 377G to act as the manager of a write-down order which has effect in relation to the insurer.

(3) A person inspecting a document under this section may take copies of, or extracts from, the document.**]**

Textual Amendments

F1729 S. 220A inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), s. 86(2)(e), **Sch. 12 para. 7**

221 Powers of court where information required.

(1) If a person ("the defaulter")—

(a) fails to comply with a requirement imposed under section 219, or

(b) fails to permit documents to be inspected under section 220,

the scheme manager may certify that fact in writing to the court and the court may enquire into the case.

(2) If the court is satisfied that the defaulter failed without reasonable excuse to comply with the requirement (or to permit the documents to be inspected), it may deal with the defaulter (and, in the case of a body corporate, any director or **[**F1730other**]** officer) as if he were in contempt **[**F1731; and "officer", in relation to a limited liability partnership, means a member of the limited liability partnership.**]**.

(3) "Court" means—

(a) the High Court;

(b) in Scotland, the Court of Session.

Textual Amendments

F1730 Word in s. 221(2) inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 10 para. 13** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F1731 Words in s. 221(2) inserted (6.4.2001 for E.W.S. and 13.9.2004 for N.I.) by S.I. 2001/1090, regs. 1, 9, Sch. 5 para. 21; S.R. 2004/307, reg. 9, **Sch. 4 para. 17**

Modifications etc. (not altering text)

C951 S. 221 extended (1.12.2001) by S.I. 2001/2967, **arts. 1(2)**, 7(b), 8, 12(4)(b)(c); S.I. 2001/3538, **art. 2(1)**

Status: *This version of this Act contains provisions that are prospective.*
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Miscellaneous

[F1732 221A Delegation of functions

(1) The scheme manager may arrange for any of its functions to be discharged on its behalf by another person (a "scheme agent").

(2) Before entering into arrangements the scheme manager must be satisfied that the scheme agent—

(a) is competent to discharge the function, and

(b) has been given sufficient directions to enable the agent to take any decisions required in the course of exercising the function in accordance with policy determined by the scheme manager.

(3) Arrangements may include provision for payments to be made by the scheme manager to the scheme agent (which payments are management expenses of the scheme manager [F1733 except where the function in question is one under Part 15A]).]

Textual Amendments

F1732 S. 221A inserted (17.2.2009 for certain purposes and 21.2.2009 otherwise) by Banking Act 2009 (c. 1), **ss. 179(1)**, 263(1)(2) (with s. 247); S.I. 2009/296, **arts. 2**, **3**, Sch.

F1733 Words in s. 221A(3) inserted (12.10.2010) by Financial Services Act 2010 (c. 28), ss. 24(1), 26(3), **Sch. 2 para. 23**; S.I. 2010/2480, **art. 2(e)(f)**

222 Statutory immunity.

(1) Neither the scheme manager nor any person who is, or is acting as, its F1734 ... officer [F1735, scheme agent] or member of staff is to be liable in damages for anything done or omitted in the discharge, or purported discharge, of the scheme manager's functions.

(2) Subsection (1) does not apply—

(a) if the act or omission is shown to have been in bad faith; or

(b) so as to prevent an award of damages made in respect of an act or omission on the ground that the act or omission was unlawful as a result of section 6(1) of the M16 Human Rights Act 1998.

Textual Amendments

F1734 Words in s. 222(1) omitted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by virtue of Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 10 para. 14** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F1735 Words in s. 222(1) inserted (17.2.2009 for certain purposes and 21.2.2009 otherwise) by Banking Act 2009 (c. 1), **ss. 179(2)**, 263(1)(2) (with s. 247); S.I. 2009/296, **arts. 2**, **3**, Sch.

Modifications etc. (not altering text)

C952 S. 222 modified (29.9.2008 at 8.00 a.m.) by The Bradford & Bingley plc Transfer of Securities and Property etc. Order 2008 (S.I. 2008/2546), **art. 32** (with art. 30(6))

C953 S. 222 modified (7.10.2008 at 9.30 a.m.) by The Heritable Bank plc Transfer of Certain Rights and Liabilities Order 2008 (S.I. 2008/2644), **art. 17** (with art. 15(8))

C954 S. 222 modified (8.10.2008 at 10.10 a.m.) by The Transfer of Rights and Liabilities to ING Order 2008 (S.I. 2008/2666), **art. 14**

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C955 S. 222 modified (8.10.2008 at 12.15 p.m.) by The Kaupthing Singer & Friedlander Limited Transfer of Certain Rights and Liabilities Order 2008 (S.I. 2008/2674), **art. 18** (with art. 16(8))

C956 S. 222(1) modified (31.12.2020) by The Deposit Guarantee Scheme and Miscellaneous Provisions (Amendment) (EU Exit) Regulations 2018 (S.I. 2018/1285), regs. 1(3), **6(3)**; 2020 c. 1, **Sch. 5 para. 1(1)**

Marginal Citations

M16 1998 c. 42.

223 Management expenses.

(1) The amount which the scheme manager may recover, from the sums levied under the scheme, as management expenses attributable to a particular period may not exceed such amount as may be fixed by the scheme as the limit applicable to that period.

(2) In calculating the amount of any levy to be imposed by the scheme manager, no amount may be included to reflect management expenses unless the limit mentioned in subsection (1) has been fixed by the scheme.

(3) "Management expenses" means expenses incurred, or expected to be incurred, by the scheme manager in connection with its functions under this Act other than those incurred—

(a) in paying compensation;

(b) as a result of any provision of the scheme made by virtue of section **[**F1736215A(3) or (4),**]** 216(3) or (4) or 217(1) or (6)**[**F1737;

(c) under section 214B **[**F1738or 214D**];]**

[F1739(ca) under section 214E;**]**

[F1740(d) under Part 15A.**]**

Textual Amendments

F1736 Words in s. 223(3)(b) inserted (16.5.2022 for specified purposes, 29.7.2022 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2022 (S.I. 2022/466), arts. 1(3), **6(8)**

F1737 S. 223(3)(c) added (17.2.2009 for certain purposes and 21.2.2009 otherwise) by Banking Act 2009 (c. 1), **ss. 171(2)**, 263(1)(2) (with s. 247); S.I. 2009/296, **arts. 2**, **3**, Sch.

F1738 Words in s. 223(3)(c) inserted (8.4.2010) by Financial Services Act 2010 (c. 28), ss. 24(1), 26(1), **Sch. 2 para. 24(2)**

F1739 S. 223(3)(ca) inserted (16.7.2025) by Bank Resolution (Recapitalisation) Act 2025 (c. 15), **ss. 6(3)**, 8(2); S.I. 2025/872, reg. 2(f)

F1740 S. 223(3)(d) inserted (12.10.2010) by Financial Services Act 2010 (c. 28), ss. 24(1), 26(3), **Sch. 2 para. 24(3)**; S.I. 2010/2480, **art. 2(e)(f)**

Commencement Information

I31 S. 223 wholly in force at 1.12.2001; s. 223 not in force at Royal Assent see s. 431(2); s. 223 in force for specified purposes at 18.6.2001 by S.I. 2001/1820, art. 2, **Sch.**; s. 223 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**

Status: *This version of this Act contains provisions that are prospective.*
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PROSPECTIVE

[F1741 223A Investing in National Loans Fund

(1) Sums levied for the purpose of maintaining a contingency fund may be paid to the Treasury.

(2) The Treasury may receive sums under subsection (1) and may set terms and conditions of receipts.

(3) Sums received shall be treated as if raised under section 12 of the National Loans Act 1968 (and shall therefore be invested as part of the National Loans Fund).

(4) Interest accruing on the invested sums may be credited to the contingency fund (subject to any terms and conditions set under subsection (2)).

(5) The Treasury shall comply with any request of the scheme manager to arrange for the return of sums for the purpose of making payments out of a contingency fund (subject to any terms and conditions set under subsection (2)).**]**

Textual Amendments

F1741 S. 223A inserted (prosp.) by Banking Act 2009 (c. 1), **ss. 172**, 263(1)(2) (with s. 247)

[F1742 223B Borrowing from National Loans Fund

(1) The scheme manager may request a loan from the National Loans Fund for the purpose of funding expenses incurred or expected to be incurred under the scheme.

(2) The Treasury may arrange for money to be paid out of the National Loans Fund in pursuance of a request under subsection (1).

(3) The Treasury shall determine—

(a) the rate of interest on a loan, and

(b) other terms and conditions.

(4) The Treasury may make regulations—

(a) about the amounts that may be borrowed under this section;

(b) permitting the scheme manager to impose levies under section 213 for the purpose of meeting expenses in connection with loans under this section (and the regulations may have effect despite any provision of this Act);

(c) about the classes of person on whom those levies may be imposed;

(d) about the amounts and timing of those levies.

(5) The compensation scheme may include provision about borrowing under this section provided that it is not inconsistent with regulations under this section.**]**

Textual Amendments

F1742 S. 223B inserted (17.2.2009 for certain purposes and 21.2.2009 otherwise) by Banking Act 2009 (c. 1), **ss. 173**, 263(1)(2) (with s. 247); S.I. 2009/296, **arts. 2**, **3**, Sch.

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[F1743 223C Payments in error

(1) Payments made by the scheme manager in error may be provided for in setting a levy by virtue of section 213, 214A, 214B [F1744, 214E] or 223B.

(2) This section does not apply to payments made in bad faith.]

Textual Amendments

F1743 S. 223C inserted (17.2.2009 for certain purposes and 21.2.2009 otherwise) by Banking Act 2009 (c. 1), **ss. 177**, 263(1)(2) (with s. 247); S.I. 2009/296, **arts. 2**, **3**, Sch.

F1744 Word in s. 223C(1) inserted (16.7.2025) by Bank Resolution (Recapitalisation) Act 2025 (c. 15), **ss. 6(4)**, 8(2); S.I. 2025/872, reg. 2(f)

224 Scheme manager's power to inspect documents held by Official Receiver etc.

(1) If, as a result of the insolvency or bankruptcy of a relevant person [F1745 or relevant exchange], [F1746 or a successor falling within section 213(1)(b),] any documents have come into the possession of a person to whom this section applies, he must permit any person authorised by the scheme manager to inspect the documents for the purpose of establishing—

(a) the identity of persons to whom the scheme manager may be liable to make a payment in accordance with the compensation scheme; or

(b) the amount of any payment which the scheme manager may be liable to make.

(2) A person inspecting a document under this section may take copies or extracts from the document.

(3) In this section "relevant person" means a person who was—

(a) an authorised person at the time the act or omission which may give rise to the liability mentioned in subsection (1)(a) took place; or

(b) an appointed representative at that time.

F1747(4) . . . . . .

[F1748(4ZA) But a person is not to be regarded as a relevant person in relation to a regulated activity if, at that time, the person—

(a) was a Gibraltar-based person with a Schedule 2A permission to carry on the activity, and

(b) fell within a prescribed category, either generally or in relation to the activity.

(4ZB) Regulations prescribing a category of person for the purposes of subsection (4ZA) may, among other things, make provision by reference to—

(a) whether the activity is carried on through a branch in the United Kingdom;

(b) the level of protection provided by the compensation scheme and by any comparable scheme operating in Gibraltar.]

[F1749(4A) In this section "relevant exchange" means a body corporate or unincorporated association carrying on a regulated activity relating to a trading facility at the time the act or omission which may give rise to the liability mentioned in subsection (1)(a) took place.]

(5) This section applies to—

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(a) the Official Receiver;
(b) the Official Receiver for Northern Ireland; and
(c) the Accountant in Bankruptcy.

Textual Amendments

F1745 Words in s. 224(1) inserted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 2 para. 28(2)** (with reg. 7)

F1746 Words in s. 224(1) inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 10 para. 15** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F1747 S. 224(4) omitted (31.12.2020) by virtue of The EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018 (S.I. 2018/1149), reg. 1(3), **Sch. para. 16** (with savings in reg. 4 and S.I. 2019/680, regs. 1(2), **11** (as amended by S.I. 2020/1301, regs. 1, 3, **Sch. para. 40(f)**)); 2020 c. 1, **Sch. 5 para. 1(1)**

F1748 S. 224(4ZA)(4ZB) inserted (1.9.2023) by Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 8 para. 9**; S.I. 2023/934, reg. 2(b)(iv)

F1749 S. 224(4A) inserted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 2 para. 28(3)** (with reg. 7)

Modifications etc. (not altering text)

C957 S. 224 extended (1.12.2001) by S.I. 2001/2967, **arts. 1(2)**, 8, 12(4)(c); S.I. 2001/3538, **art. 2(1)**

C958 S. 224 modified (31.12.2020) by The EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018 (S.I. 2018/1149), regs. 1(3), **70(3)** (as inserted by S.I. 2019/405, regs. 1(2), **5(1)**); 2020 c. 1, Sch. 5 para. 1(1))

C959 S. 224 modified (31.12.2020) by The EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018 (S.I. 2018/1149), regs. 1(3), **24(3)** (with regs. 4, 22 (as amended by S.I. 2020/56, regs. 1, 6(2))); 2020 c. 1, Sch. 5 para. 1(1)

C960 S. 224(3) excluded (2.7.2002) by The Financial Services and Markets Act 2000 (Consequential Amendments and Transitional Provisions) (Credit Unions) Order 2002 (S.I. 2002/1501), **art. 5(1)**

Commencement Information

I32 S. 224 wholly in force at 1.12.2001; s. 224 not in force at Royal Assent see s. 431(2); s. 224(4) in force for certain purposes at 25.2.2001 by S.I. 2001/516, art. 2(b), **Sch. Pt. 2**; s. 224 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**

[F1750 224ZA Discharge of functions

(1) In discharging its functions the scheme manager must have regard to—
(a) the need to ensure efficiency and effectiveness in the discharge of those functions, and
(b) the need to minimise public expenditure attributable to loans made or other financial assistance given to the scheme manager for the purposes of the scheme.

(2) In subsection (1)(b) "financial assistance" includes the giving of guarantees and indemnities and any other kind of financial assistance (actual or contingent).]

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Textual Amendments

F1750 S. 224ZA inserted (1.3.2014) by Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 14**, 148(5); S.I. 2014/377, art. 2(1)(a), Sch. Pt. 1

[F1751 224A Functions under the Banking Act 2009

F1752 [(1)] A reference in this Part to functions of the scheme manager (including a reference to functions conferred by or under this Part) includes a reference to functions conferred by or under the Banking Act 2009.

F1753 [(2) Any payment required to be made by the scheme manager by virtue of section 61 of that Act (special resolution regime: compensation) is to be treated for the purposes of this Part as an expense under the compensation scheme.]]

Textual Amendments

F1751 S. 224A added (17.2.2009 for certain purposes and 21.2.2009 otherwise) by Banking Act 2009 (c. 1), **ss. 180**, 263(1)(2) (with s. 247); S.I. 2009/296, **arts. 2**, **3**, Sch.

F1752 S. 224A renumbered as s. 224A(1) (8.4.2010) by Financial Services Act 2010 (c. 28), ss. 24(1), 26(1), **Sch. 2 para. 25(2)**

F1753 S. 224A(2) inserted (8.4.2010) by Financial Services Act 2010 (c. 28), ss. 24(1), 26(1), **Sch. 2 para. 25(3)**

[F1754 PART 15A

POWER TO REQUIRE FSCS MANAGER TO ACT IN RELATION TO OTHER SCHEMES

Textual Amendments

F1754 Pt. 15A inserted (12.10.2010) by Financial Services Act 2010 (c. 28), **ss. 17**, 26(3); S.I. 2010/2480, **art. 2(d)**

Introduction

224B Meaning of "relevant scheme" etc

(1) The following provisions apply for the purposes of this Part.

(2) "Relevant scheme" means a scheme or arrangement (other than the FSCS) for the payment of compensation (in certain cases) to customers of persons who provide financial services or carry on a business connected with the provision of such services.

(3) References to the manager of a relevant scheme are to the person who administers it or (if there is no such person) the person responsible for making payments under it.

(4) "The FSCS" means the Financial Services Compensation Scheme (see section 213(2)).

(5) "The FSCS manager" means the scheme manager as defined by section 212(1).

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(6) "Expense" includes anything that, if incurred in relation to the FSCS, would amount to an expense for the purposes of the FSCS.

(7) "Notice" means a notice in writing.

(8) In subsection (2)—

(a) "customers" includes customers outside the United Kingdom;

(b) "persons" includes persons outside the United Kingdom;

(c) references to the provision of financial services include the provision outside the United Kingdom of such services.

(9) This Part applies to cases where the manager of the relevant scheme is the Treasury or any other Minister of the Crown as it applies to cases where that manager is any other person.

Power to require FSCS manager to act

224C Power to require FSCS manager to act on behalf of manager of relevant scheme

(1) This section applies if compensation is payable under a relevant scheme.

(2) The Treasury may by notice require the FSCS manager to exercise (on behalf of the manager of the relevant scheme) specified functions in respect of specified claims for compensation under the relevant scheme.

(3) A notice may be given only with the consent of the manager of the relevant scheme.

(4) In subsection (2) "specified" means specified, or of a description specified, in the notice.

(5) Claims or descriptions of claims may be specified by reference to the persons or description of persons whose claims they are.

224D Cases where FSCS manager may decline to act

(1) This section applies where a notice under section 224C(2) (a "section 224C notice") has been given in respect of a relevant scheme.

(2) The FSCS manager is not under a duty to comply with the section 224C notice if, as soon as reasonably practicable after receiving it, the FSCS manager gives a notice to the Treasury stating that a ground set out in section 224E applies.

(3) Where a notice under subsection (2) is given, the FSCS manager may recover from the manager of the relevant scheme an amount equal to the total expenses incurred by the FSCS manager in connection with the relevant scheme in the period—

(a) beginning with the giving of the section 224C notice; and

(b) ending with the giving of the notice under subsection (2).

(4) The duty to comply with the section 224C notice ceases if, after starting to comply with it, the FSCS manager gives a notice to the Treasury and the manager of the relevant scheme stating that a ground set out in section 224E applies.

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(5) Where a notice under subsection (4) is given, the FSCS manager must give the Treasury such information connected with the FSCS manager's exercise of functions in relation to the relevant scheme as the Treasury may reasonably require.

(6) Any notice under this section—

(a) may be given only if, before giving it, the FSCS manager has taken reasonable steps to deal with anything that is causing the ground or grounds in question to apply; and

(b) must contain details of those steps.

224E Grounds for declining to act

(1) This section sets out the grounds referred to in section 224D(2) and (4).

(2) The first ground is that the FSCS manager is not satisfied that it will be able to obtain any information required in order to comply with the section 224C notice.

(3) The second ground is that the FSCS manager is not satisfied that it will be able to obtain any advice or other assistance from the manager of the relevant scheme that is required in order to comply with the section 224C notice.

(4) The third ground is—

(a) that the FSCS manager has not received an amount at least equal to the total expenses it expects to incur in connection with its relevant scheme functions; and

(b) either—

(i) that there are no arrangements for the provision of funds to the FSCS manager to enable it to exercise those functions and meet those expenses; or

(ii) that the FSCS manager considers that any such arrangements are unsatisfactory.

(5) The fourth ground is that the FSCS manager considers that complying with the section 224C notice would detrimentally affect the exercise of its functions under the FSCS.

(6) The fifth ground is—

(a) that there is no undertaking from the manager of the relevant scheme not to bring proceedings against the FSCS manager; or

(b) that the FSCS manager considers that the terms of any such undertaking are unsatisfactory.

(7) The sixth ground is—

(a) that there are no arrangements for the reimbursement of any expenses incurred by the FSCS manager in connection with any proceedings brought against it in respect of its relevant scheme functions (including expenses incurred in meeting any award of damages made against it); or

(b) that the FSCS manager considers that any such arrangements are unsatisfactory.

(8) In subsection (6) references to an undertaking of the kind mentioned there are to an undertaking not to bring proceedings in respect of the FSCS manager's relevant

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scheme functions except proceedings in respect of an act or omission of the FSCS manager that is alleged to have been in bad faith.

(9) In this section "proceedings" includes proceedings outside the United Kingdom.

Rules

224F Rules about relevant schemes

(1) The **[**F1755regulators**]** may by rules make provision in connection with the exercise by the FSCS manager of functions in respect of relevant schemes.

(2) The provision that may be made by the rules includes any provision corresponding to provision that could be contained in the FSCS; but this is subject to subsections (3) and (4).

(3) The rules may confer on the FSCS manager a power to impose levies on authorised persons (or any class of authorised persons) for the purpose of meeting its management expenses incurred in connection with its functions in respect of relevant schemes.

(4) But if the rules confer such a power they must provide that the power may be exercised in relation to expenses incurred in connection with a relevant scheme only if the FSCS manager has tried its best to obtain reimbursement of the expenses from the manager of the relevant scheme.

(5) The rules may apply any provision of the FSCS, with or without modifications.

(6) An amount payable to the FSCS manager as a result of any provision of the rules made by virtue of subsection (3) may be recovered as a debt due to the FSCS manager.

(7) References to the FSCS manager's "management expenses" are to its expenses incurred otherwise than in paying compensation.**]**

Textual Amendments

F1755 Word in s. 224F(1) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 38(2)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

PART XVI

THE OMBUDSMAN SCHEME

Modifications etc. (not altering text)

C961 Pt. XVI applied (1.5.2009 for certain purposes and 1.11.2009 otherwise) by The Payment Services Regulations 2009 (S.I. 2009/209), regs. 1(2), **125** (with reg. 3)

C962 Pt. XVI applied (30.4.2011) by The Electronic Money Regulations 2011 (S.I. 2011/99), **reg. 76(2)** (with reg. 3)

C963 Pt. XVI applied (with modifications) (20.4.2015 for specified purposes, 21.12.2015 for specified purposes, 21.3.2016 in so far as not already in force) by The Mortgage Credit Directive Order 2015 (S.I. 2015/910), arts. 1(5), **26** (with Pt. 4)

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C964 Pt. XVI applied (with modifications) (1.1.2016) by The Small and Medium Sized Business (Credit Information) Regulations 2015 (S.I. 2015/1945), regs. 1(2), **17(1)**

C965 Pt. XVI applied (with modifications) (1.1.2016) by The Small and Medium Sized Business (Finance Platforms) Regulations 2015 (S.I. 2015/1946), regs. 1(2), **14**

The scheme

225 The scheme and the scheme operator.

(1) This Part provides for a scheme under which certain disputes may be resolved quickly and with minimum formality by an independent person.

(2) The scheme is to be administered by a body corporate ("the scheme operator").

(3) The scheme is to be operated under a name chosen by the scheme operator but is referred to in this Act as "the ombudsman scheme".

(4) Schedule 17 makes provision in connection with the ombudsman scheme and the scheme operator.

226 Compulsory jurisdiction.

(1) A complaint which relates to an act or omission of a person ("the respondent") in carrying on an activity to which compulsory jurisdiction rules apply is to be dealt with under the ombudsman scheme if the conditions mentioned in subsection (2) are satisfied.

(2) The conditions are that—

(a) the complainant is eligible and wishes to have the complaint dealt with under the scheme;

(b) the respondent was an authorised person **[**F1756or an electronic money issuer within the meaning of the Electronic Money Regulations 2011**][**F1757, or a payment service provider within the meaning of the Payment Services Regulations **[**F1758**]**2017**],]** at the time of the act or omission to which the complaint relates; and

(c) the act or omission to which the complaint relates occurred at a time when compulsory jurisdiction rules were in force in relation to the activity in question.

(3) "Compulsory jurisdiction rules" means rules—

(a) made by the **[**F1759FCA**]** for the purposes of this section; and

(b) specifying the activities to which they apply.

(4) Only activities which are regulated activities, or which could be made regulated activities by an order under section 22, may be specified.

(5) Activities may be specified by reference to specified categories (however described).

[F1760(5A) If the FCA specifies activities which are account information services provided by authorised payment institutions or EEA authorised payment institutions, the FCA must specify to the same extent account information services provided by registered account information service providers or, as the case may be, EEA registered account information service providers.

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(5B) Expressions used in subsection (5A) and in the Payments Services Regulations 2017 have the same meaning in that subsection as they do in those Regulations.**]**

(6) A complainant is eligible, in relation to the compulsory jurisdiction of the ombudsman scheme, if he falls within a class of person specified in the rules as eligible.

(7) The rules—

(a) may include provision for persons other than individuals to be eligible; but

(b) may not provide for authorised persons to be eligible except in specified circumstances or in relation to complaints of a specified kind.

[F1761(7A) The rules must provide that a person within subsection (7B) is eligible in relation to a complaint to which subsection (7C) applies.

(7B) A person is within this subsection if he or she has been identified by a respondent, in carrying on an activity to which the rules apply, as—

(a) a politically exposed person;

(b) a family member of a politically exposed person; or

(c) a known close associate of a politically exposed person.

(7C) This subsection applies to a complaint—

(a) that the complainant has been incorrectly identified as a person within subsection (7B); or

(b) relating to an act or omission of the respondent in consequence of the identification of the complainant as a person within subsection (7B).

(7D) In subsection (7B), "politically exposed person", "family member" and "known close associate" have the meanings given in regulation 35(12) of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017.**]**

(8) The jurisdiction of the scheme which results from this section is referred to in this Act as the "compulsory jurisdiction".

Textual Amendments

F1756 Words in s. 226(2)(b) inserted (9.2.2011for certain purposes and 30.4.2011otherwise) by The Electronic Money Regulations 2011 (S.I. 2011/99), regs. 1(2)(a)(xv)(b), 79, **Sch. 4 para. 2(3)(a)** (with reg. 3)

F1757 Words in s. 226(2)(b) inserted (2.3.2009 for certain purposes, 1.5.2009 for certain further purposes and 1.11.2009 otherwise) by The Payment Services Regulations 2009 (S.I. 2009/209), regs. 1(2), 126, **Sch. 6 para. 1(1)(a)** (with reg. 3)

F1758 Word in s. 226(2)(b) substituted (13.1.2018) by The Payment Services Regulations 2017 (S.I. 2017/752), reg. 1(6), **Sch. 8 para. 2(4)(a)** (with reg. 3)

F1759 Word in s. 226(3)(a) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 11 para. 1** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F1760 S. 226(5A)(5B) inserted (13.1.2018) by The Payment Services Regulations 2017 (S.I. 2017/752), reg. 1(6), **Sch. 8 para. 2(4)(b)** (with reg. 3)

F1761 S. 226(7A)-(7D) inserted (26.6.2017) by The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (S.I. 2017/692), reg. 1(2), **Sch. 7 para. 3(2)** (with regs. 8, 15)

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Modifications etc. (not altering text)

C966 S. 226 extended (19.7.2001 for specified purposes otherwise 1.12.2001) by S.I. 2001/2326, **arts. 1(1)**, 3(1); S.I. 2001/3538, **art. 2(1)**

C967 S. 226(2) excluded (19.7.2001 for specified purposes otherwise 1.12.2001) by S.I. 2001/2326, **arts. 1(1)**, 2(4); S.I. 2001/3538, **art. 2(1)**

C968 S. 226(2)(b)(c) excluded (28.1.2021 for specified purposes, 30.7.2022 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2021 (S.I. 2021/90), arts. 1(2)(3), **7(5)**

Commencement Information

I33 S. 226 wholly in force at 1.12.2001; s. 226 not in force at Royal Assent see s. 431(2); s. 226 in force for specified purposes at 18.6.2001 by S.I. 2001/1820, art. 2, **Sch.**; s. 226 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**

[F1762]226A Consumer credit jurisdiction

. . . . . .

Textual Amendments

F1762 S. 226A omitted (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by virtue of The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No. 2) Order 2013 (S.I. 2013/1881), arts. 1(2)(6), **10(5)** (with art. 11(5)(6)(7))

227 Voluntary jurisdiction.

(1) A complaint which relates to an act or omission of a person ("the respondent") in carrying on an activity to which voluntary jurisdiction rules apply is to be dealt with under the ombudsman scheme if the conditions mentioned in subsection (2) are satisfied.

(2) The conditions are that—

(a) the complainant is eligible and wishes to have the complaint dealt with under the scheme;

(b) at the time of the act or omission to which the complaint relates, the respondent was participating in the scheme;

(c) at the time when the complaint is referred under the scheme, the respondent has not withdrawn from the scheme in accordance with its provisions;

(d) the act or omission to which the complaint relates occurred at a time when voluntary jurisdiction rules were in force in relation to the activity in question; and

(e) the complaint cannot be dealt with under the compulsory jurisdiction [F1763]....

(3) "Voluntary jurisdiction rules" means rules—

(a) made by the scheme operator for the purposes of this section; and

(b) specifying the activities to which they apply.

(4) The only activities which may be specified in the rules are activities which are, or could be, specified in compulsory jurisdiction rules.

(5) Activities may be specified by reference to specified categories (however described).

Status: *This version of this Act contains provisions that are prospective.*
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(6) The rules require the **[**[F1764]FCA's**]** approval.

(7) A complainant is eligible, in relation to the voluntary jurisdiction of the ombudsman scheme, if he falls within a class of person specified in the rules as eligible.

(8) The rules may include provision for persons other than individuals to be eligible.

(9) A person qualifies for participation in the ombudsman scheme if he falls within a class of person specified in the rules in relation to the activity in question.

(10) Provision may be made in the rules for persons other than authorised persons to participate in the ombudsman scheme.

(11) The rules may make different provision in relation to complaints arising from different activities.

(12) The jurisdiction of the scheme which results from this section is referred to in this Act as the "voluntary jurisdiction".

(13) In such circumstances as may be specified in voluntary jurisdiction rules, a complaint—

(a) which relates to an act or omission occurring at a time before the rules came into force, and

(b) which could have been dealt with under a scheme which has to any extent been replaced by the voluntary jurisdiction,

is to be dealt with under the ombudsman scheme even though paragraph (b) or (d) of subsection (2) would otherwise prevent that.

(14) In such circumstances as may be specified in voluntary jurisdiction rules, a complaint is to be dealt with under the ombudsman scheme even though—

(a) paragraph (b) or (d) of subsection (2) would otherwise prevent that, and

(b) the complaint is not brought within the scheme as a result of subsection (13),

but only if the respondent has agreed that complaints of that kind were to be dealt with under the scheme.

Textual Amendments

F1763 Words in s. 227(2)(e) omitted (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by virtue of The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No. 2) Order 2013 (S.I. 2013/1881), arts. 1(2)(6), **10(6)**

F1764 Word in s. 227(6) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 11 para. 3** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

Modifications etc. (not altering text)

C969 S. 227(2) modified (7.10.2008 at 9.30 a.m.) by The Heritable Bank plc Transfer of Certain Rights and Liabilities Order 2008 (S.I. 2008/2644), **art. 25**

Commencement Information

I34 S. 227 wholly in force at 1.12.2001; s. 227 not in force at Royal Assent see s. 431(2); s. 227 in force for specified purposes at 18.6.2001 by S.I. 2001/1820, art. 2, **Sch.**; s. 227 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**

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Determination of complaints

228 Determination under the compulsory jurisdiction.

(1) This section applies only in relation to the compulsory jurisdiction [F1765]....

(2) A complaint is to be determined by reference to what is, in the opinion of the ombudsman, fair and reasonable in all the circumstances of the case.

(3) When the ombudsman has determined a complaint he must give a written statement of his determination to the respondent and to the complainant.

(4) The statement must—

(a) give the ombudsman's reasons for his determination;

(b) be signed by him; and

(c) require the complainant to notify him [F1766]..., before a date specified in the statement, whether he accepts or rejects the determination.

(5) If the complainant notifies the ombudsman that he accepts the determination, it is binding on the respondent and the complainant and final.

(6) If, by the specified date, the complainant has not notified the ombudsman of his acceptance or rejection of the determination he is to be treated as having rejected it.

[[F1767](6A) But the complainant is not to be treated as having rejected the determination by virtue of subsection (6) if—

(a) the complainant notifies the ombudsman after the specified date of the complainant's acceptance of the determination,

(b) the complainant has not previously notified the ombudsman of the complainant's rejection of the determination, and

(c) the ombudsman is satisfied that such conditions as may be prescribed by rules made by the scheme operator for the purposes of this section are satisfied.**]**

(7) The ombudsman must notify the respondent of the outcome.

[[F1768](7A) Where a determination is rejected by virtue of subsection (6), the notification under subsection (7) must contain a general description of the effect of subsection (6A).**]**

(8) A copy of the determination on which appears a certificate signed by an ombudsman is evidence (or in Scotland sufficient evidence) that the determination was made under the scheme.

(9) Such a certificate purporting to be signed by an ombudsman is to be taken to have been duly signed unless the contrary is shown.

Textual Amendments

F1765 Words in s. 228(1) omitted (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by virtue of The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No. 2) Order 2013 (S.I. 2013/1881), arts. 1(2)(6), **10(7)**

F1766 Words in s. 228(4)(c) omitted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by virtue of Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 11 para. 4(2)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

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F1767 S. 228(6A) inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 11 para. 4(3)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F1768 S. 228(7A) inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 11 para. 4(4)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

Modifications etc. (not altering text)

C970 S. 228 applied (1.12.2001) by S.I. 2001/2326, **arts. 1(1)(b)**, 6(11), 7(1); S.I. 2001/3538, **art. 2(1)**

C971 Ss. 228-232 applied (31.10.2004 for certain purposes and 14.1.2005 otherwise) by The Financial Services and Markets Act 2000 (Transitional Provisions) (Complaints Relating to General Insurance and Mortgages) Order 2004 (S.I. 2004/454), arts. 1(2), **5**

C972 S. 228 applied (with modifications) (E.W.S.) (29.11.2018 for specified purposes, 1.4.2019 in so far as not already in force) by The Financial Services and Markets Act 2000 (Claims Management Activity) Order 2018 (S.I. 2018/1253), arts. 1(2)(3), **72(3)**

C973 Ss. 228-230A applied (with modifications) (28.1.2021 for specified purposes, 30.7.2022 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2021 (S.I. 2021/90), arts. 1(2)(3), **9**

C974 S. 228(2) excluded (1.12.2001) by S.I. 2001/2326, **arts. 1(1)(b)**, 6(1)(a); S.I. 2001/3538, **art. 2(1)**

C975 S. 228(2) applied (with modifications) (E.W.S.) (29.11.2018 for specified purposes, 1.4.2019 in so far as not already in force) by The Financial Services and Markets Act 2000 (Claims Management Activity) Order 2018 (S.I. 2018/1253), arts. 1(2)(3), **73(3)-(5)**

C976 S. 228(4)(c)(5)-(7) excluded (1.12.2001) by S.I. 2001/2326, **arts. 1(1)(b)**, 6(7)(8)(9); S.I. 2001/3538, **art. 2(1)**

229 Awards.

(1) This section applies only in relation to the compulsory jurisdiction [F1769]....

(2) If a complaint which has been dealt with under the scheme is determined in favour of the complainant, the determination may include—

(a) an award against the respondent of such amount as the ombudsman considers fair compensation for loss or damage (of a kind falling within subsection (3)) suffered by the complainant ("a money award");

(b) a direction that the respondent take such steps in relation to the complainant as the ombudsman considers just and appropriate (whether or not a court could order those steps to be taken).

(3) A money award may compensate for—

(a) financial loss; or

(b) any other loss, or any damage, of a specified kind.

(4) The **[**[F1770]FCA**]** may specify **[**[F1771]for the purposes of the compulsory jurisdiction**]** the maximum amount which may be regarded as fair compensation for a particular kind of loss or damage specified under subsection (3)(b).

[F1772](4A) . . . . . .

(5) A money award may not exceed the monetary limit; but the ombudsman may, if he considers that fair compensation requires payment of a larger amount, recommend that the respondent pay the complainant the balance.

(6) The monetary limit is such amount as may be specified.

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

(7) Different amounts may be specified in relation to different kinds of complaint.

(8) A money award—

(a) may provide for the amount payable under the award to bear interest at a rate and as from a date specified in the award; and

(b) is enforceable by the complainant in accordance with Part III of Schedule 17 [F1773]....

(9) Compliance with a direction under subsection (2)(b)—

(a) is enforceable by an injunction; or

(b) in Scotland, is enforceable by an order under section 45 of the [M17]Court of Session Act 1988.

(10) Only the complainant may bring proceedings for an injunction or proceedings for an order.

[[F1774](11) "Specified" means specified in compulsory jurisdiction rules.**]**

[F1775](12) . . . . . .

Textual Amendments

F1769 Words in s. 229(1) omitted (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by virtue of The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No. 2) Order 2013 (S.I. 2013/1881), arts. 1(2)(6), **10(8)(a)**

F1770 Word in s. 229(4) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 11 para. 5** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F1771 Words in s. 229(4) inserted (16.6.2006) by Consumer Credit Act 2006 (c. 14), **ss. 61(4)**, 71(2); S.I. 2006/1508, **art. 3(1)**, Sch. 1

F1772 S. 229(4A) omitted (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by virtue of The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No. 2) Order 2013 (S.I. 2013/1881), arts. 1(2)(6), **10(8)(b)**

F1773 Words in s. 229(8)(b) omitted (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by virtue of The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No. 2) Order 2013 (S.I. 2013/1881), arts. 1(2)(6), **10(8)(c)**

F1774 S. 229(11) substituted (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No. 2) Order 2013 (S.I. 2013/1881), arts. 1(2)(6), **10(8)(d)**

F1775 S. 229(12) omitted (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by virtue of The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No. 2) Order 2013 (S.I. 2013/1881), arts. 1(2)(6), **10(8)(e)**

Modifications etc. (not altering text)

C973 Ss. 228-230A applied (with modifications) (28.1.2021 for specified purposes, 30.7.2022 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2021 (S.I. 2021/90), arts. 1(2)(3), **9**

C977 S. 229 applied (1.12.2001) by S.I. 2001/2326, **arts. 1(1)(b)**, 7(1); S.I. 2001/3538, **art. 2(1)**
S. 229 restricted (1.12.2001) by S.I. 2001/2326, **arts. 1(1)(b)**, 6(1)(b)(4)(5); S.I. 2001/3538, **art. 2(1)**

C978 Ss. 228-232 applied (31.10.2004 for certain purposes and 14.1.2005 otherwise) by The Financial Services and Markets Act 2000 (Transitional Provisions) (Complaints Relating to General Insurance and Mortgages) Order 2004 (S.I. 2004/454), arts. 1(2), **5**

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C979 S. 229(2)(a)(b) applied (with modifications) (E.W.S.) (29.11.2018 for specified purposes, 1.4.2019 in so far as not already in force) by The Financial Services and Markets Act 2000 (Claims Management Activity) Order 2018 (S.I. 2018/1253), arts. 1(2)(3), **73(3)-(5)**
C980 S. 229(8)(b) applied (1.12.2001) by S.I. 2001/2326, **arts. 1(1)(b)**, 6(4); S.I. 2001/3538, **art. 2(1)**
C981 S. 229(9)(10) applied (1.12.2001) by S.I. 2001/2326, **arts. 1(1)(b)**, 6(5); S.I. 2001/3538, **art. 2(1)**

Commencement Information
I35 S. 229 wholly in force at 1.12.2001; s. 229 not in force at Royal Assent see s. 431(2); s. 229 in force for specified purposes at 18.6.2001 by S.I. 2001/1820, art. 2, **Sch.**; s. 229 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**

Marginal Citations
M17 1988 c. 36.

230 Costs.

(1) The scheme operator may by rules ("costs rules") provide for an ombudsman to have power, on determining a complaint under the compulsory jurisdiction [F1776]..., to award costs in accordance with the provisions of the rules.

(2) Costs rules require the approval of the **[**[F1777]FCA**]**.

(3) Costs rules may not provide for the making of an award against the complainant in respect of the respondent's costs.

(4) But they may provide for the making of an award against the complainant in favour of the scheme operator, for the purpose of providing a contribution to resources deployed in dealing with the complaint, if in the opinion of the ombudsman—
(a) the complainant's conduct was improper or unreasonable; or
(b) the complainant was responsible for an unreasonable delay.

(5) Costs rules may authorise an ombudsman making an award in accordance with the rules to order that the amount payable under the award bears interest at a rate and as from a date specified in the order.

(6) An amount due under an award made in favour of the scheme operator is recoverable as a debt due to the scheme operator.

(7) Any other award made against the respondent is to be treated as a money award for the purposes of paragraph 16 of Schedule 17 [F1778]....

Textual Amendments
F1776 Words in s. 230(1) omitted (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by virtue of The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No. 2) Order 2013 (S.I. 2013/1881), arts. 1(2)(6), **10(9)(a)**
F1777 Word in s. 230(2) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 11 para. 6** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.
F1778 Words in s. 230(7) omitted (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by virtue of The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No. 2) Order 2013 (S.I. 2013/1881), arts. 1(2)(6), **10(9)(b)**

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Modifications etc. (not altering text)

C973 Ss. 228-230A applied (with modifications) (28.1.2021 for specified purposes, 30.7.2022 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2021 (S.I. 2021/90), arts. 1(2)(3), **9**

C982 S. 230 applied (19.7.2001 for specified purposes otherwise 1.12.2001) by S.I. 2001/2326, **arts. 1(1)**, 7(1); S.I. 2001/3538, **art. 2(1)**
S. 230 restricted (19.7.2001 for specified purposes otherwise 1.12.2001) by S.I. 2001/2326, **arts. 1(1)**, 6(1)(c); S.I. 2001/3538, **art. 2(1)**

C983 Ss. 228-232 applied (31.10.2004 for certain purposes and 14.1.2005 otherwise) by The Financial Services and Markets Act 2000 (Transitional Provisions) (Complaints Relating to General Insurance and Mortgages) Order 2004 (S.I. 2004/454), arts. 1(2), **5**

C984 S. 230(6)(7) applied (19.7.2001 for specified purposes otherwise 1.12.2001) by S.I. 2001/2326, **arts. 1(1)**, 6(6); S.I. 2001/3538, **art. 2(1)**

C985 S. 230(7) applied (E.W.S.) (29.11.2018 for specified purposes, 1.4.2019 in so far as not already in force) by The Financial Services and Markets Act 2000 (Claims Management Activity) Order 2018 (S.I. 2018/1253), arts. 1(2)(3), **72(5)(b)**

[F1779 230A Reports of determinations

(1) The scheme operator must publish a report of any determination made under this Part.

(2) But if the ombudsman who makes the determination informs the scheme operator that, in the ombudsman's opinion, it is inappropriate to publish a report of that determination (or any part of it) the scheme operator must not publish a report of that determination (or that part).

(3) Unless the complainant agrees, a report of a determination published by the scheme operator may not include the name of the complainant, or particulars which, in the opinion of the scheme operator, are likely to identify the complainant.

(4) The scheme operator may charge a reasonable fee for providing a person with a copy of a report.**]**

Textual Amendments

F1779 S. 230A inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 11 para. 7** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

Modifications etc. (not altering text)

C973 Ss. 228-230A applied (with modifications) (28.1.2021 for specified purposes, 30.7.2022 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2021 (S.I. 2021/90), arts. 1(2)(3), **9**

C986 S. 230A applied (E.W.S.) (29.11.2018 for specified purposes, 1.4.2019 in so far as not already in force) by The Financial Services and Markets Act 2000 (Claims Management Activity) Order 2018 (S.I. 2018/1253), arts. 1(2)(3), **79(1)**

C987 S. 230A applied (with modifications) (E.W.S.) (29.11.2018 for specified purposes, 1.4.2019 in so far as not already in force) by The Financial Services and Markets Act 2000 (Claims Management Activity) Order 2018 (S.I. 2018/1253), arts. 1(2)(3), **72(3)**

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Information

231 Ombudsman's power to require information.

(1) An ombudsman may, by notice in writing given to a party to a complaint, require that party—

(a) to provide specified information or information of a specified description; or

(b) to produce specified documents or documents of a specified description.

(2) The information or documents must be provided or produced—

(a) before the end of such reasonable period as may be specified; and

(b) in the case of information, in such manner or form as may be specified.

(3) This section applies only to information and documents the production of which the ombudsman considers necessary for the determination of the complaint.

(4) If a document is produced in response to a requirement imposed under this section, the ombudsman may—

(a) take copies or extracts from the document; or

(b) require the person producing the document to provide an explanation of the document.

(5) If a person who is required under this section to produce a document fails to do so, the ombudsman may require him to state, to the best of his knowledge and belief, where the document is.

(6) If a person claims a lien on a document, its production under this Part does not affect the lien.

(7) "Specified" means specified in the notice given under subsection (1).

Modifications etc. (not altering text)

C988 S. 231 applied (1.12.2001) by S.I. 2001/2326, **arts. 1(1)(b)**, 11(5); S.I. 2001/3538, **art. 2(1)**

C989 Ss. 228-232 applied (31.10.2004 for certain purposes and 14.1.2005 otherwise) by The Financial Services and Markets Act 2000 (Transitional Provisions) (Complaints Relating to General Insurance and Mortgages) Order 2004 (S.I. 2004/454), arts. 1(2), **5**

S. 231 applied (31.10.2004 for certain purposes and 14.1.2005 otherwise) by The Financial Services and Markets Act 2000 (Transitional Provisions) (Complaints Relating to General Insurance and Mortgages) Order 2004 (S.I. 2004/454), arts. 1(2), **11(5)**

C990 S. 231 applied (E.W.S.) (29.11.2018 for specified purposes, 1.4.2019 in so far as not already in force) by The Financial Services and Markets Act 2000 (Claims Management Activity) Order 2018 (S.I. 2018/1253), arts. 1(2)(3), **79(1)**

C991 S. 231 applied (28.1.2021 for specified purposes, 30.7.2022 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2021 (S.I. 2021/90), arts. 1(2)(3), **15(1)**

232 Powers of court where information required.

(1) If a person ("the defaulter") fails to comply with a requirement imposed under section 231, the ombudsman may certify that fact in writing to the court and the court may enquire into the case.

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(2) If the court is satisfied that the defaulter failed without reasonable excuse to comply with the requirement, it may deal with the defaulter (and, in the case of a body corporate, any director or **[**F1780other**]** officer) as if he were in contempt **[**F1781; and "officer", in relation to a limited liability partnership, means a member of the limited liability partnership.**]**.

(3) "Court" means—

(a) the High Court;

(b) in Scotland, the Court of Session.

Textual Amendments

F1780 Word in s. 232(2) inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 11 para. 8** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F1781 Words in s. 232(2) inserted (6.4.2001 for E.W.S and 13.9.2004 for N.I.) by S.I. 2001/1090, regs. 1, 9, Sch. 5 para. 21; S.R. 2004/307, reg. 9, **Sch. 4 para. 17**

Modifications etc. (not altering text)

C992 S. 232 applied (1.12.2001) by S.I. 2001/2326, **arts. 1(1)(b)**, 11(5); S.I. 2001/3538, **art. 2(1)**

C993 Ss. 228-232 applied (31.10.2004 for certain purposes and 14.1.2005 otherwise) by The Financial Services and Markets Act 2000 (Transitional Provisions) (Complaints Relating to General Insurance and Mortgages) Order 2004 (S.I. 2004/454), arts. 1(2), **5**
S. 232 applied (31.10.2004 for certain purposes and 14.1.2005 otherwise) by The Financial Services and Markets Act 2000 (Transitional Provisions) (Complaints Relating to General Insurance and Mortgages) Order 2004 (S.I. 2004/454), arts. 1(2), **11(5)**

C994 S. 232 applied (E.W.S.) (29.11.2018 for specified purposes, 1.4.2019 in so far as not already in force) by The Financial Services and Markets Act 2000 (Claims Management Activity) Order 2018 (S.I. 2018/1253), arts. 1(2)(3), **79(1)**

C995 S. 232 applied (28.1.2021 for specified purposes, 30.7.2022 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2021 (S.I. 2021/90), arts. 1(2)(3), **15(1)**

[F1782**232A Scheme operator's duty to provide information to FCA**

F1783**[** (1)**]** If the scheme operator considers that it has information that, in its opinion, would or might be of assistance to the FCA in advancing one or more of the FCA's operational objectives **[**F1784, or the purpose for which the FCA must exercise its functions under Part 8B (see section 131U(1)),**]**, it must disclose that information to the FCA.

F1785**[** (2) The reference in subsection (1) to the FCA's operational objectives includes, in its application as a secondary objective, the competitiveness and growth objective (see section 1EB).**]]**

Textual Amendments

F1782 S. 232A inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 11 para. 9** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F1783 S. 232A renumbered as s. 232A(1) (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 28(9)(a)**, 86(3); S.I. 2023/779, **reg. 4(s)**

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F1784 Words in s. 232A inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), s. 86(2)(c), **Sch. 8 para. 7**

F1785 S. 232A(2) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 28(9)(b)**, 86(3); S.I. 2023/779, reg. 4(s)

Modifications etc. (not altering text)

C996 S. 232A applied (E.W.S.) (29.11.2018 for specified purposes, 1.4.2019 in so far as not already in force) by The Financial Services and Markets Act 2000 (Claims Management Activity) Order 2018 (S.I. 2018/1253), arts. 1(2)(3), **79(1)**

233 Data protection.

In section 31 of the [M18]Data Protection Act 1998 (regulatory activity), after subsection (4), insert—

"(4A) Personal data processed for the purpose of discharging any function which is conferred by or under Part XVI of the Financial Services and Markets Act 2000 on the body established by the Financial Services Authority for the purposes of that Part are exempt from the subject information provisions in any case to the extent to which the application of those provisions to the data would be likely to prejudice the proper discharge of the function."

Marginal Citations

M18 1998 c. 29.

Funding

234 Industry funding.

(1) For the purpose of funding—

(a) the establishment of the ombudsman scheme (whenever any relevant expense is incurred), and

(b) its operation in relation to the compulsory jurisdiction,

the **[**[F1786]FCA**]** may make rules requiring the payment to it or to the scheme operator, by authorised persons or any class of authorised person **[**[F1787], any electronic money issuer within the meaning of the Electronic Money Regulations 2011**][**[F1788]or any payment service provider within the meaning of the Payment Services Regulations **[**[F1789]2017**]]** of specified amounts (or amounts calculated in a specified way).

(2) "Specified" means specified in the rules.

Textual Amendments

F1786 Word in s. 234(1) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 11 para. 10** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F1787 Words in s. 234(1) inserted (9.2.2011 for certain purposes and 30.4.2011 otherwise) by The Electronic Money Regulations 2011 (S.I. 2011/99), regs. 1(2)(a)(xv)(b), 79, **Sch. 4 para. 2(3)(b)** (with reg. 3)

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F1788 Words in s. 234(1) inserted (2.3.2009 for certain purposes, 1.5.2009 for certain further purposes and 1.11.2009 otherwise) by The Payment Services Regulations 2009 (S.I. 2009/209), regs. 1(2), 126, **Sch. 6 para. 1(1)(b)** (with reg. 3)

F1789 Word in s. 234(1) substituted (13.1.2018) by The Payment Services Regulations 2017 (S.I. 2017/752), reg. 1(6), **Sch. 8 para. 2(5)** (with reg. 3)

Modifications etc. (not altering text)

C997 S. 234(1) amended (1.12.2001) by S.I. 2001/2326, **arts. 1(1)(b)**, 12(1); S.I. 2001/3538, **art. 2(1)**

C998 S. 234(1) extended (31.10.2004 for certain purposes and 14.1.2005 otherwise) by The Financial Services and Markets Act 2000 (Transitional Provisions) (Complaints Relating to General Insurance and Mortgages) Order 2004 (S.I. 2004/454), arts. 1(2), **6(1)**

C999 S. 234(1) modified (28.1.2021 for specified purposes, 30.7.2022 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2021 (S.I. 2021/90), arts. 1(2)(3), **10(1)**

F1790 234A Funding by consumer credit licensees etc.

. . . . . .

Textual Amendments

F1790 S. 234A omitted (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by virtue of The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No. 2) Order 2013 (S.I. 2013/1881), arts. 1(2)(6), **10(10)** (with art. 11(9))

I[F1791] *Successors to businesses*

Textual Amendments

F1791 S. 234B and cross-heading inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 11 para. 12** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

234B Transfers of liability

(1) This section applies where a person (the "successor") has assumed a liability (including a contingent one) of a person (the "predecessor") who was, or (apart from this section) would have been, the respondent in respect of a complaint falling to be dealt with under the ombudsman scheme.

(2) The complaint may (but need not) be dealt with under this Part as if the successor were the respondent.**]**

Modifications etc. (not altering text)

C1000 S. 234B modified (28.1.2021 for specified purposes, 30.7.2022 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2021 (S.I. 2021/90), arts. 1(2)(3), **12**

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[F1792PART 16A

CONSUMER PROTECTION AND COMPETITION

Textual Amendments

F1792 Pt. 16A inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), **ss. 43**, 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(b)(c), Sch. Pts. 2, 3; S.I. 2013/423, art. 3, Sch.

Super-complaints and references to FCA

234C Complaints by consumer bodies

(1) A designated consumer body may make a complaint to the FCA that a feature, or combination of features, of a market in the United Kingdom for financial services **[**F1793or of a market in Great Britain for claims management services**]** is, or appears to be, significantly damaging the interests of consumers.

F1794 **[** (1A) But a complaint may not be made to the FCA under this section if it is a complaint which could be made to the Payment Systems Regulator by a designated representative body under section 68 of the Financial Services (Banking Reform) Act 2013 (complaints by representative bodies).

"Designated representative body" and "the Payment Systems Regulator" have the same meaning in this subsection as they have in that section.**]**

(2) "Designated consumer body" means a body designated by the Treasury by order.

(3) The Treasury—

(a) may designate a body only if it appears to them to represent the interests of consumers of any description, and

(b) must publish in such manner as they think fit (and may from time to time vary) criteria to be applied by them in determining whether to make or revoke a designation.

(4) Sections 425A and 425B (meaning of "consumers") apply for the purposes of this section, but the references to consumers in this section do not include consumers who are authorised persons.

(5) In this section—

(a) "market in the United Kingdom" has the meaning given in section 140A **[**F1795(and "market in Great Britain" is to be construed accordingly)**]**;

(b) the reference to a feature of a market in the United Kingdom for financial services **[**F1796, or of a market in Great Britain for claims management services,**]** has a meaning corresponding to that which a reference to a feature of a market in the United Kingdom for goods and services has (by virtue of section 140A(3)) for the purposes of Chapter 4 of Part 9A.

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Textual Amendments

F1793 Words in s. 234C(1) inserted (E.W.S.) (6.10.2018) by Financial Guidance and Claims Act 2018 (c. 10), **ss. 27(6)(a)**, 37(5); S.I. 2018/1045, reg. 2(a)

F1794 S. 234C(1A) inserted (1.3.2014) by Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 68(6)**, 148(5); S.I. 2014/377, art. 2(1)(a), Sch. Pt. 1

F1795 Words in s. 234C(5)(a) inserted (E.W.S.) (6.10.2018) by Financial Guidance and Claims Act 2018 (c. 10), **ss. 27(6)(b)(i)**, 37(5); S.I. 2018/1045, reg. 2(a)

F1796 Words in s. 234C(5)(b) inserted (E.W.S.) (6.10.2018) by Financial Guidance and Claims Act 2018 (c. 10), **ss. 27(6)(b)(ii)**, 37(5); S.I. 2018/1045, reg. 2(a)

234D Reference by scheme operator or regulated person

(1) A relevant person may make a reference to the FCA where it appears to that person that either the first set of conditions or the second set of conditions are satisfied.

(2) Each of the following is a "relevant person"—

(a) the scheme operator;

(b) a regulated person.

(3) The first set of conditions is—

(a) that there may have been—

(i) in the case of a reference by the scheme operator, a regular failure by one or more regulated persons to comply with requirements applicable to the carrying on by them of any activity, or

(ii) in the case of a reference by a regulated person, a regular failure by that person to comply with requirements applicable to the carrying on by that person of any activity, and

(b) that as a result consumers have suffered, or may suffer, loss or damage in respect of which, if they brought legal proceedings, a remedy or relief would be available in the proceedings.

(4) The reference to the failure by a regulated person ("R") to comply with a requirement applicable to the carrying on by R of any activity includes anything done, or omitted to be done, by R in carrying on the activity—

(a) which is a breach of a duty or other obligation, prohibition or restriction, or

(b) which otherwise gives rise to the availability of remedy or relief in legal proceedings.

(5) It does not matter whether—

(a) the duty or other obligation, prohibition or restriction, or

(b) the remedy or relief,

arises as a result of any provision made by or under this or any other Act, a rule of law or otherwise.

(6) The second set of conditions is—

(a) in the case of a reference by the scheme operator, that one or more regulated persons have, on a regular basis, acted or failed to act, in such a way that, if a complaint were made under the ombudsman scheme in relation to that conduct, the ombudsman would be likely to determine the complaint in favour of the complainant,

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(b) in the case of a reference by a regulated person, that the regulated person has, on a regular basis, acted or failed to act in such a way that, if a complaint were made under the ombudsman scheme in relation to that conduct, the ombudsman would be likely to determine the complaint in favour of the complainant, and

(c) in either case, that—

(i) if the complaint would fall within the compulsory jurisdiction F1797..., the ombudsman would be likely to make an award under section 229(2)(a) or give a direction under section 229(2)(b), or

(ii) if voluntary jurisdiction rules made for the purposes of section 227 provide for the making of an award against a respondent or the giving of a direction that a respondent take certain steps in relation to a complainant, and the complaint would fall within the voluntary jurisdiction, the ombudsman would be likely to make such an award or give such a direction.

(7) "Consumers" has the meaning given in section 1G.

(8) "Regulated person" means—

(a) an authorised person;

(b) an electronic money issuer, as defined in section 1H(8);

(c) a payment service provider, as defined in section 1H(8).

Textual Amendments

F1797 Words in s. 234D(6)(c)(i) omitted (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by virtue of The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No. 2) Order 2013 (S.I. 2013/1881), arts. 1(2)(6), **10(11)**

234E Response by FCA

(1) The FCA must within 90 days after the day on which it receives a complaint under section 234C or a reference under section 234D publish a response stating how it proposes to deal with the complaint or reference, and in particular—

(a) whether it has decided to take any action, or to take no action, and

(b) if it has decided to take action, what action it proposes to take.

(2) The response must—

(a) include a copy of the complaint or reference, and

(b) state the FCA's reasons for its proposals.

(3) The Treasury may by order amend subsection (1) by substituting any period for the period for the time being specified there.

234F Section 234E: exceptions

(1) This section applies where the FCA has received a reference under section 234D from a person who is a relevant person as a result of subsection (2)(b) of that section.

(2) The duty to respond in section 234E does not apply if the FCA considers that the reference is frivolous, vexatious or has been made in bad faith.

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(3) The FCA must within 90 days after the day on which it receives the reference inform the person who made it—

(a) that the duty to respond under section 234E does not apply by virtue of this section, and

(b) of its reasons for reaching the conclusion in paragraph (a).

(4) The Treasury may by order amend subsection (3) by substituting any period for the period for the time being specified there.

234G Guidance

(1) The guidance given by the FCA under section 139A—

(a) must include guidance about the presentation of a reasoned case for a complaint under section 234C or a reference under section 234D, and

(b) may include guidance about such other matters as appears to the FCA to be appropriate for the purposes of section 234C or 234D.

(2) Guidance given under this section is to be taken to be general guidance as defined in section 139B(5).

*Competition***]**

[F1799 234H Power of FCA to make request to [F1798 Competition and Markets Authority]

. . . . . .

Textual Amendments

F1798 Words in s. 234H heading substituted (1.4.2014) by The Enterprise and Regulatory Reform Act 2013 (Competition) (Consequential, Transitional and Saving Provisions) Order 2014 (S.I. 2014/892), art. 1(1), **Sch. 1 para. 128(5)** (with art. 3)

F1799 S. 234H omitted (1.4.2015) by virtue of Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 8 para. 2**; S.I. 2014/2458, art. 3(b)(v)

[F1800 234I The FCA's functions under Part 4 of the Enterprise Act 2002

(1) The functions to which this subsection applies ("the concurrent functions") are to be concurrent functions of the FCA and the Competition and Markets Authority (referred to in this Part as "the CMA").

(2) Subsection (1) applies to the functions of the CMA under Part 4 of the Enterprise Act 2002 (market investigations), so far as those functions—

(a) are exercisable by the CMA Board (within the meaning of Schedule 4 to the Enterprise and Regulatory Reform Act 2013), and

(b) relate to the provision of financial services **[**F1801 or to the provision of claims management services in Great Britain**]**.

(3) But subsection (1) does not apply to functions under the following sections of the Enterprise Act 2002—

section 166 (duty to maintain register of undertakings and orders);

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[F1802section 167C (statement of policy in relation to functions under sections 167 and 167A);**]**

section 171 (duty to publish guidance).

[F1803section 174E (statement of policy on penalties).**]**

(4) So far as is necessary for the purposes of, or in connection with, subsections (1) and (2)—

(a) references in Part 4 of the Enterprise Act 2002 to the CMA (including references in provisions of that Act applied by that Part) are to be read as including references to the FCA, and

(b) references in that Part to section 5 of that Act are to be read as including references to section 234M of this Act.

(5) But subsection (4) does not apply—

(a) in relation to section 166 **[**F1804, 167C, 171 or 174E**]** of that Act, or

(b) where the context otherwise requires.

(6) Section 130A of the Enterprise Act 2002 has effect in relation to the FCA by virtue of subsections (1) and (2) as if—

(a) in subsection (2)(a) of that section, the reference to the acquisition or supply of goods or services of one or more than one description in the United Kingdom were a reference to the acquisition or provision in the United Kingdom of financial services **[**F1805or in Great Britain of claims management services**]**, and

(b) in subsection (2)(b) of that section, the reference to the extent to which steps can and should be taken were a reference to the extent to which steps that might include steps under Part 4 of that Act can and should be taken.

(7) Before the CMA or the FCA first exercises any of the concurrent functions in relation to any matter, it must consult the other.

(8) Neither the CMA nor the FCA may exercise any of the concurrent functions in relation to any matter if any of those functions have been exercised in relation to that matter by the other.

[F1806(9) In making any decision, or otherwise taking action, for the purposes of any of its functions that, by virtue of this section, are functions exercisable concurrently with the CMA, the FCA must have regard to the need for making a decision, or taking action, as soon as reasonably practicable.**]**

Textual Amendments

F1800 Ss. 234I-234O inserted (1.11.2014 for the insertion of ss. 234J, 234M for specified purposes and for the insertion of ss. 234N, 234O, 1.4.2015 in so far as not already in force) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 8 para. 3**; S.I. 2014/2458, arts. 2(b)(aa)(i), 3(b)(v)

F1801 Words in s. 234I(2)(b) inserted (E.W.S.) (6.10.2018) by Financial Guidance and Claims Act 2018 (c. 10), **ss. 27(7)(a)**, 37(5); S.I. 2018/1045, reg. 2(a)

F1802 Words in s. 234I(3) inserted (1.1.2025) by Digital Markets, Competition and Consumers Act 2024 (c. 13), s. 339(1), **Sch. 12 para. 8(2)(a)**; S.I. 2024/1226, regs. 1(2), 2(1)(16)

F1803 Words in s. 234I(3) inserted (1.1.2025) by Digital Markets, Competition and Consumers Act 2024 (c. 13), s. 339(1), **Sch. 12 para. 8(2)(b)**; S.I. 2024/1226, regs. 1(2), 2(1)(16)

F1804 Words in s. 234I(5) substituted (1.1.2025) by Digital Markets, Competition and Consumers Act 2024 (c. 13), s. 339(1), **Sch. 12 para. 8(3)**; S.I. 2024/1226, regs. 1(2), 2(1)(16)

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F1805 Words in s. 234I(6)(a) inserted (E.W.S.) (6.10.2018) by Financial Guidance and Claims Act 2018 (c. 10), **ss. 27(7)(b)**, 37(5); S.I. 2018/1045, reg. 2(a)

F1806 S. 234I(9) inserted (1.1.2025 for specified purposes, 6.4.2025 for specified purposes) by Digital Markets, Competition and Consumers Act 2024 (c. 13), s. 339(1), **Sch. 29 para. 3(2)**; S.I. 2024/1226, regs. 1(2), 2(1)(21); S.I. 2025/272, reg. 2(1)(13)

234J The FCA's functions under the Competition Act 1998

(1) The functions to which this subsection applies are to be concurrent functions of the FCA and the CMA.

(2) Subsection (1) applies to the functions of the CMA under the provisions of Part 1 of the Competition Act 1998, so far as relating to any of the following that relate to the provision of financial services **[**F1807or relate to the provision of claims management services in Great Britain**]**—

(a) agreements, decisions or concerted practices of the kind mentioned in section 2(1) of that Act,

(b) conduct of the kind mentioned in section 18(1) of that Act, **[**F1808and**]**

[F1809(c) transferred EU anti-trust commitments or transferred EU anti-trust directions (as defined in section 40ZA of that Act).**]**

(3) But subsection (1) does not apply to functions under the following provisions of that Act—

section 31D(1) to (6) (duty to publish guidance);

[F1810section 35C (statement of policy in relation to functions under sections 31E, 34 and 35A);**]**

section 38(1) to (6) (duty to publish guidance about penalties);

section 40B(1) to (4) (duty to publish statement of policy on penalties);

section 51 (rules).

(4) So far as necessary for the purposes of, or in connection with, the provisions of subsections (1) and (2), references to the CMA in Part 1 of the Competition Act 1998 **[**F1811(including references in provisions of the Enterprise Act 2002 applied by that Part)**]** are to be read as including references to the FCA.

(5) But subsection (4) does not apply—

(a) in relation to sections 31D(1) to (6) **[**F1812, 35C**]**, 38(1) to (6), 40B(1) to (4), 51, 52(6) and (8) and 54 of that Act, or

(b) where the context otherwise requires.

[F1813(6) In making any decision, or otherwise taking action, for the purposes of any of its functions that—

(a) by virtue of this section, are functions exercisable concurrently with the CMA, and

(b) are functions within Schedule 4A to the Enterprise and Regulatory Reform Act 2013 by virtue of paragraph 5 of that Schedule,

the FCA must have regard to the need for making a decision, or taking action, as soon as reasonably practicable.**]**

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Textual Amendments

F1800 Ss. 234I-234O inserted (1.11.2014 for the insertion of ss. 234J, 234M for specified purposes and for the insertion of ss. 234N, 234O, 1.4.2015 in so far as not already in force) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 8 para. 3**; S.I. 2014/2458, arts. 2(b)(aa)(i), 3(b)(v)

F1807 Words in s. 234J(2) inserted (E.W.S.) (6.10.2018) by Financial Guidance and Claims Act 2018 (c. 10), **ss. 27(8)**, 37(5); S.I. 2018/1045, reg. 2(a)

F1808 Word in s. 234J(2)(b) inserted (31.12.2020) by S.I. 2019/93, **Sch. 1 para. 8(2)** (as substituted by The Competition (Amendment etc.) (EU Exit) Regulations 2020 (S.I. 2020/1343), regs. 1(1), **20**)

F1809 S. 234J(2)(c) substituted for s. 234J(2)(c)(d) (31.12.2020) by S.I. 2019/93, **Sch. 1 para. 8(3)** (as substituted by The Competition (Amendment etc.) (EU Exit) Regulations 2020 (S.I. 2020/1343), regs. 1(1), **20**)

F1810 Words in s. 234J(3) inserted (1.1.2025) by Digital Markets, Competition and Consumers Act 2024 (c. 13), s. 339(1), **Sch. 12 para. 9(2)**; S.I. 2024/1226, regs. 1(2), 2(1)(16)

F1811 Words in s. 234J(4) inserted (1.1.2025) by Digital Markets, Competition and Consumers Act 2024 (c. 13), s. 339(1), **Sch. 13 para. 7**; S.I. 2024/1226, regs. 1(2), 2(1)(17)

F1812 Word in s. 234J(5)(a) inserted (1.1.2025) by Digital Markets, Competition and Consumers Act 2024 (c. 13), s. 339(1), **Sch. 12 para. 9(3)**; S.I. 2024/1226, regs. 1(2), 2(1)(16)

F1813 S. 234J(6) inserted (1.1.2025 for specified purposes, 6.4.2025 for specified purposes) by Digital Markets, Competition and Consumers Act 2024 (c. 13), s. 339(1), **Sch. 29 para. 3(3)**; S.I. 2024/1226, regs. 1(2), 2(1)(21); S.I. 2025/272, reg. 2(1)(13)

234K Duty to consider exercise of powers under Competition Act 1998

(1) Before exercising a power listed in subsection (3), the FCA must consider whether it would be more appropriate to proceed under the Competition Act 1998.

(2) The FCA must not exercise such a power if it considers that it would be more appropriate to proceed under the Competition Act 1998.

(3) Those powers are—

(a) the power under section 55J(2) to vary or cancel a Part 4A permission;

(b) the power under section 55L to impose a requirement on an authorised person with a Part 4A permission, or to vary a requirement imposed under that section;

(c) the power to take action under section 88E;

(d) the power to take action under section 89U;

(e) the power to give a direction under section 192C;

F1814(f) . . . . . .

Textual Amendments

F1800 Ss. 234I-234O inserted (1.11.2014 for the insertion of ss. 234J, 234M for specified purposes and for the insertion of ss. 234N, 234O, 1.4.2015 in so far as not already in force) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 8 para. 3**; S.I. 2014/2458, arts. 2(b)(aa)(i), 3(b)(v)

F1814 S. 234K(3)(f) omitted (31.12.2020) by virtue of The EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018 (S.I. 2018/1149), reg. 1(3), **Sch. para. 17** (with reg. 4); 2020 c. 1, Sch. 5 para. 1(1)

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234L Provision of information and assistance to a CMA group

(1) For the purpose of assisting a CMA group in carrying out a relevant investigation, the FCA must give the CMA group—

(a) any relevant information which the FCA has in its possession, and

(b) any other assistance which the CMA group may reasonably require in relation to any matters falling within the scope of the investigation.

(2) A "relevant investigation" is an investigation carried out on a reference made by the FCA under section 131 of the Enterprise Act 2002 by virtue of section 234I.

(3) "Relevant information", in relation to a relevant investigation, is information—

(a) which relates to matters falling within the scope of the investigation, and

(b) which—

(i) is requested by the CMA group for the purpose of the investigation, or

(ii) in the FCA's opinion, it would be appropriate to give to the CMA group for that purpose.

(4) A CMA group, in carrying out a relevant investigation, must take into account any information given to it under this section.

(5) In this section "CMA group" has the same meaning as in Schedule 4 to the Enterprise and Regulatory Reform Act 2013.

Textual Amendments

F1800 Ss. 234I-234O inserted (1.11.2014 for the insertion of ss. 234J, 234M for specified purposes and for the insertion of ss. 234N, 234O, 1.4.2015 in so far as not already in force) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 8 para. 3**; S.I. 2014/2458, arts. 2(b)(aa)(i), 3(b)(v)

234M Function of keeping market under review

(1) For the purpose of the functions conferred on it by sections 234I to 234L the FCA is to have the function of keeping under review the market for financial services **[**[F1815]and the market in Great Britain for claims management services**]**.

(2) The function conferred by subsection (1) is to be carried out with a view to (among other things) ensuring that the FCA has sufficient information to take informed decisions and to carry out its other functions effectively.

Textual Amendments

F1800 Ss. 234I-234O inserted (1.11.2014 for the insertion of ss. 234J, 234M for specified purposes and for the insertion of ss. 234N, 234O, 1.4.2015 in so far as not already in force) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 8 para. 3**; S.I. 2014/2458, arts. 2(b)(aa)(i), 3(b)(v)

F1815 Words in s. 234M(1) inserted (E.W.S.) (6.10.2018) by Financial Guidance and Claims Act 2018 (c. 10), **ss. 27(9)**, 37(5); S.I. 2018/1045, reg. 2(a)

234N Exclusion of general duties

(1) Section 1B (the FCA's general duties) does not apply in relation to anything done by the FCA in the carrying out of its functions by virtue of sections 234I to 234L.

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(2) But in the carrying out of any functions by virtue of sections 234I to 234L, the FCA may have regard to any of the matters in respect of which a duty is imposed by section 1B if it is a matter to which the CMA is entitled to have regard in the carrying out of those functions.

Textual Amendments

F1800 Ss. 234I-234O inserted (1.11.2014 for the insertion of ss. 234J, 234M for specified purposes and for the insertion of ss. 234N, 234O, 1.4.2015 in so far as not already in force) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 8 para. 3**; S.I. 2014/2458, arts. 2(b)(aa)(i), 3(b)(v)

234O Supplementary provision

(1) If any question arises as to whether, by virtue of section 234I or 234J, any functions fall to be, or are capable of being, carried out by the FCA in relation to any particular case, that question is to be referred to, and determined by, the Treasury.

(2) No objection is to be taken to anything done under the Competition Act 1998 or Part 4 of the Enterprise Act 2002 by or in relation to the FCA on the ground that it should have been done by or in relation to the CMA.**]**

Textual Amendments

F1800 Ss. 234I-234O inserted (1.11.2014 for the insertion of ss. 234J, 234M for specified purposes and for the insertion of ss. 234N, 234O, 1.4.2015 in so far as not already in force) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 8 para. 3**; S.I. 2014/2458, arts. 2(b)(aa)(i), 3(b)(v)

PART XVII

COLLECTIVE INVESTMENT SCHEMES

Modifications etc. (not altering text)

C1001 Pt. 17 modified (20.2.2019) by The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(3), **62** (as amended (31.1.2020 immediately before exit day) by The Financial Services (Consequential Amendments) Regulations 2020 (S.I. 2020/56), regs. 1, **12(b)**)

CHAPTER I

INTERPRETATION

235 Collective investment schemes.

(1) In this Part "collective investment scheme" means any arrangements with respect to property of any description, including money, the purpose or effect of which is to enable persons taking part in the arrangements (whether by becoming owners of the property or any part of it or otherwise) to participate in or receive profits or income

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arising from the acquisition, holding, management or disposal of the property or sums paid out of such profits or income.

(2) The arrangements must be such that the persons who are to participate ("participants") do not have day-to-day control over the management of the property, whether or not they have the right to be consulted or to give directions.

(3) The arrangements must also have either or both of the following characteristics—

(a) the contributions of the participants and the profits or income out of which payments are to be made to them are pooled;

(b) the property is managed as a whole by or on behalf of the operator of the scheme.

(4) If arrangements provide for such pooling as is mentioned in subsection (3)(a) in relation to separate parts of the property, the arrangements are not to be regarded as constituting a single collective investment scheme unless the participants are entitled to exchange rights in one part for rights in another.

(5) The Treasury may by order provide that arrangements do not amount to a collective investment scheme—

(a) in specified circumstances; or

(b) if the arrangements fall within a specified category of arrangement.

[F1816 235A Contractual schemes

(1) In this Part "contractual scheme" means—

(a) a co-ownership scheme; or

(b) a partnership scheme.

(2) In this Part "co-ownership scheme" means a collective investment scheme which satisfies the conditions in subsection (3).

(3) The conditions are—

(a) that the arrangements constituting the scheme are contractual;

(b) that they are set out in a deed that is entered into between the operator and a depositary and meets the requirements of subsection (4);

(c) that the scheme does not constitute a body corporate, a partnership or a limited partnership;

(d) that the property subject to the scheme is held by, or to the order of, a depositary; and

(e) that either—

(i) the property is beneficially owned by the participants as tenants in common (or, in Scotland, is the common property of the participants); or

(ii) where the arrangements constituting the scheme provide for such pooling as is mentioned in section 235(3)(a) in relation to separate parts of the property, each part is beneficially owned by the participants in that part as tenants in common (or, in Scotland, is the common property of the participants in that part).

(4) The deed—

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(a) must contain a statement that the arrangements are intended to constitute a co-ownership scheme as defined in section 235A of the Financial Services and Markets Act 2000;

(b) must make provision for the issue and redemption of units;

(c) must—

(i) prohibit the transfer of units,

(ii) allow units to be transferred only if specified conditions are met, or

(iii) where the arrangements constituting the scheme provide for such pooling as is mentioned in section 235(3)(a) in relation to separate parts of the property, in relation to each separate part make provision falling within sub-paragraph (i) or (ii);

(d) must authorise the operator—

(i) to acquire, manage and dispose of property subject to the scheme; and

(ii) to enter into contracts which are binding on participants for the purposes of, or in connection with, the acquisition, management or disposal of property subject to the scheme; and

(e) must make provision requiring the operator and depositary to wind up the scheme in specified circumstances.

(5) In this Part "partnership scheme" means a collective investment scheme which satisfies the conditions in subsection (6).

(6) The conditions are—

(a) that the scheme is a limited partnership;

[

F1817 (aa) that the limited partnership is not designated under section 8(2) of the Limited Partnerships Act 1907 as a private fund limited partnership;**]**

(b) that the limited partnership—

(i) at any time has only one general partner; and

(ii) on formation has only one limited partner, who is a person nominated by the general partner ("the nominated partner");

(c) that the arrangements constituting the partnership are set out in a deed that is entered into between the general partner and the nominated partner;

(d) that the deed prohibits such pooling as is mentioned in section 235(3)(a) in relation to separate parts of the property; and

(e) that the deed provides that if an authorisation order is made in respect of the limited partnership under section 261D(1)—

(i) the property subject to the scheme is to be held by, or to the order of, a person appointed to be a depositary;

(ii) the limited partners, other than the nominated partner, are to be the participants in the scheme; and

(iii) the partnership is not dissolved on any person ceasing to be a limited partner provided that there remains at least one limited partner.

(7) In this section "general partner", "limited partner" and "limited partnership" have the same meaning as in the Limited Partnerships Act 1907.

(8) In this Part "contractual scheme deed" means—

(a) in relation to a co-ownership scheme, the deed referred to in subsection (3)(b); and

(b) in relation to a partnership scheme, the deed referred to in subsection (6)(c).**]**

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Textual Amendments

F1816 S. 235A inserted (6.6.2013) by The Collective Investment in Transferable Securities (Contractual Scheme) Regulations 2013 (S.I. 2013/1388), regs. 1, **3(5)** (with reg. 24)

F1817 S. 235A(6)(aa) inserted (6.4.2017) by The Legislative Reform (Private Fund Limited Partnerships) Order 2017 (S.I. 2017/514), arts. 1(2), **3**

236 Open-ended investment companies.

(1) In this Part "an open-ended investment company" means a collective investment scheme which satisfies both the property condition and the investment condition.

(2) The property condition is that the property belongs beneficially to, and is managed by or on behalf of, a body corporate ("BC") having as its purpose the investment of its funds with the aim of—

(a) spreading investment risk; and

(b) giving its members the benefit of the results of the management of those funds by or on behalf of that body.

(3) The investment condition is that, in relation to BC, a reasonable investor would, if he were to participate in the scheme—

(a) expect that he would be able to realize, within a period appearing to him to be reasonable, his investment in the scheme (represented, at any given time, by the value of shares in, or securities of, BC held by him as a participant in the scheme); and

(b) be satisfied that his investment would be realized on a basis calculated wholly or mainly by reference to the value of property in respect of which the scheme makes arrangements.

(4) In determining whether the investment condition is satisfied, no account is to be taken of any actual or potential redemption or repurchase of shares or securities under—

[F1818(a) Chapters 3 to 7 of Part 18 of the Companies Act 2006;**]**

(c) F1819... or

(d) provisions in force in a country or territory F1820... which the Treasury have, by order, designated as corresponding provisions.

(5) The Treasury may by order amend the definition of "an open-ended investment company" for the purposes of this Part.

Textual Amendments

F1818 S. 236(4)(a) substituted (1.10.2009) for s. 236(4)(a)(b) by The Companies Act 2006 (Consequential Amendments, Transitional Provisions and Savings) Order 2009 (S.I. 2009/1941), art. 2(1), **Sch. 1 para. 181(3)** (with art. 10)

F1819 S. 236(4)(c) omitted (31.12.2020) by virtue of The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), **5(a)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F1820 Words in s. 236(4)(d) omitted (31.12.2020) by virtue of The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), **5(b)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

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[F1821 236A Meaning of "UCITS"

(1) For the purposes of this Act, and subject to subsection (4), "UCITS" means an undertaking established in the United Kingdom or an EEA State—

(a) with the sole object of collective investment, operating on the principle of risk-spreading, in transferable securities or other liquid financial assets mentioned in subsection (3), of capital raised from the public; and

(b) with units which are, at the request of holders, repurchased or redeemed, directly or indirectly, out of the undertaking's assets.

(2) A UCITS may consist of several sub-funds (see section 237(4)).

(3) The transferable securities or other liquid financial assets referred to in subsection (1)(a) are—

(a) in the case of an undertaking established in the United Kingdom, those permitted by section 2 of chapter 5 of the Collective Investment Schemes sourcebook; or

(b) in the case of an undertaking established in an EEA State, those referred to in Article 50(1) of the UCITS directive.

(4) For the purposes of subsection (1)(b), action taken by the undertaking to ensure that the price of its units on an investment exchange does not significantly vary from their net asset value is to be regarded as equivalent to the repurchase or redemption of units at the request of holders.

(5) An undertaking is not a UCITS if it is any of the following—

(a) a collective investment undertaking of the closed-ended type;

(b) a collective investment undertaking which raises capital without promoting the sale of its units to the public within the relevant area or any part of it;

(c) an open-ended investment company, or other collective investment undertaking, the units of which may, under its fund rules or instruments of incorporation, be sold only to the public in countries or territories outside the relevant area.

(6) In subsection (5) "the relevant area" means—

(a) in the case of an undertaking established in the United Kingdom, the United Kingdom;

(b) in the case of an undertaking established in an EEA State, the EEA States.**]**

Textual Amendments

F1821 S. 236A inserted (31.12.2020) by The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), **6** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

237 Other definitions.

(1) In this Part "unit trust scheme" means a collective investment scheme under which the property is held on trust for the participants **[**F1822, except that it does not include a contractual scheme**]**.

(2) In this Part—

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"trustee", in relation to a unit trust scheme, means the person holding the property in question on trust for the participants;

"depositary", in relation to—

(a) a collective investment scheme which is constituted by a body incorporated by virtue of regulations under section 262, or

(b) any other collective investment scheme which is not a unit trust scheme,

means any person to whom the property subject to the scheme is entrusted for safekeeping;

[F1823"management company" means an undertaking, as defined in section 1161 of the Companies Act 2006, whose regular business is the management of UK UCITS;**]**

[F1824"the operator"—

(a) in relation to a unit trust scheme with a separate trustee, means the manager;

(aa) **[**F1825in relation to a co-ownership scheme, means the operator appointed under the terms of the contractual scheme deed;

(ab) in relation to a partnership scheme, means the general partner;**]**F1826...

(b) in relation to an open-ended investment company, means that company; F1827... **[**F1828, and

(ba) in relation to a recognised scheme, means the legal entity with overall responsibility for the management and performance of the functions of the scheme.**]**

(c) F1829...**]**

"units" means the rights or interests (however described) of the participants in a collective investment scheme.

[F1830"working day" has the meaning given in section 191G(2).**]**

(3) In this Part—

"an authorised unit trust scheme" means a unit trust scheme which is authorised for the purposes of this Act by an authorisation order in force under section 243;

[F1831"an authorised contractual scheme" means a contractual scheme which is authorised for the purposes of this Act by an authorisation order in force under section 261D(1);**]**

"an authorised open-ended investment company" means a body incorporated by virtue of regulations under section 262 in respect of which an authorisation order is in force under any provision made in such regulations by virtue of subsection (2)(l) of that section;

[F1832"the Collective Investment Schemes sourcebook" means the Collective Investment Schemes sourcebook made under this Act by the FCA, as it has effect on IP completion day;

"EEA UCITS" means a UCITS which is authorised pursuant to Article 5 of the UCITS directive in an EEA State;**]**

F1833...

[F1834"feeder UCITS" means—

((a)) a UK UCITS which has been approved by the FCA to invest 85% or more of the total property which is subject to the collective investment scheme constituted by the UK UCITS in units of—

((i)) another UK UCITS,

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((ii)) a sub-fund of another UK UCITS,

((iii)) an EEA UCITS, or

((iv)) a sub-fund of an EEA UCITS, or

((b)) a sub-fund of a UK UCITS which has been approved by the FCA to invest 85% or more of the sub-fund's separate pool of the property of the UK UCITS in units of—

((i)) another UK UCITS,

((ii)) another sub-fund of a UK UCITS,

((iii)) an EEA UCITS, or

((iv)) a sub-fund of an EEA UCITS;

"master UCITS", in relation to a feeder UCITS, means (as the case may be)—

((a)) the other UK UCITS mentioned in paragraph (a)(i) or (b)(i) of the definition of "feeder UCITS",

((b)) the EEA UCITS mentioned in paragraph (a)(iii) or (b)(iii) of that definition, or

((c)) the sub-fund mentioned in paragraph (a)(ii) or (iv) or (b)(ii) or (iv) of that definition;**]**

"a recognised scheme" means **[**F1835a section 271A scheme or**]** a scheme recognised under section F1836... 272 **[**F1837(and see also section 282C)**]**.

[F1838"a section 271A scheme" means a scheme recognised under section 271A (and see also section 271S);**]**

F1833...

[F1839"UCITS-related direct EU legislation" means—

((a)) Commission Regulation (EU) 2010/583 of 1 July 2010 implementing Directive 2009/65/EC of the European Parliament and of the Council as regards key investor information and conditions to be met when providing key investor information or the prospectus in a durable medium other than paper or by means of a website, or

((b)) Commission Delegated Regulation (EU) 2016/438 of 17 December 2015 supplementing Directive 2009/65/EC of the European Parliament and of the Council with regard to obligations of depositaries;**]**

[F1840"UK UCITS" means a UCITS which is an authorised unit trust scheme **[**F1841, an authorised contractual scheme**]** or an authorised open-ended investment company.**]**

[F1842(4) In this Part, references to a sub-fund of a UCITS are references to a part of the property of the UCITS which forms a separate pool where—

(a) the UCITS provides arrangements for separate pooling of the contributions of the participants and the profits and income out of which payments are made to them; and

(b) the participants are entitled to exchange rights in one pool for rights in another.**]**

[F1843(5) In this Part "umbrella co-ownership scheme" means an authorised contractual scheme which satisfies the conditions in subsection (6).

(6) The conditions are—

(a) that the scheme is a co-ownership scheme;

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(b) that the arrangements constituting the scheme provide for such pooling as is mentioned in section 235(3)(a) in relation to separate parts of the property; and

(c) that the participants are entitled under the terms of the scheme to exchange rights in one part for rights in another.

(7) In this Part "sub-scheme", in relation to an umbrella co-ownership scheme, means the arrangements constituting the scheme so far as they relate to a separate part of the property.

(8) In this Part "stand-alone co-ownership scheme" means an authorised contractual scheme which—

(a) is a co-ownership scheme; and

(b) is not an umbrella co-ownership scheme.**]**

Textual Amendments

F1822 Words in s. 237(1) inserted (6.6.2013) by The Collective Investment in Transferable Securities (Contractual Scheme) Regulations 2013 (S.I. 2013/1388), regs. 1, **3(6)(a)** (with reg. 24)

F1823 Words in s. 237(2) substituted (31.12.2020) by The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), **7(2)(a)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F1824 S. 237(2) definition of "the operator" substituted (1.7.2011) by The Undertakings for Collective Investment in Transferable Securities Regulations 2011 (S.I. 2011/1613), **reg. 2(14)(a)(ii)**

F1825 Words in s. 237(2) inserted (6.6.2013) by The Collective Investment in Transferable Securities (Contractual Scheme) Regulations 2013 (S.I. 2013/1388), regs. 1, **3(6)(b)** (with reg. 24)

F1826 Word in s. 237(2) omitted (23.2.2022) by virtue of Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 9 para. 5(a)**; S.I. 2022/163, reg. 2(a)

F1827 Word in s. 237(2) omitted (31.12.2020) by virtue of The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), **7(2)(b)(ii)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F1828 Words in s. 237(2) inserted (23.2.2022) by Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 9 para. 5(b)**; S.I. 2022/163, reg. 2(a)

F1829 Words in s. 237(2) omitted (31.12.2020) by virtue of The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), **7(2)(b)(iii)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F1830 S. 237(2) definition of "working day" inserted (1.7.2011) by The Undertakings for Collective Investment in Transferable Securities Regulations 2011 (S.I. 2011/1613), **reg. 2(14)(a)(iii)**

F1831 Words in s. 237(3) inserted (6.6.2013) by The Collective Investment in Transferable Securities (Contractual Scheme) Regulations 2013 (S.I. 2013/1388), regs. 1, **3(6)(c)(i)** (with reg. 24)

F1832 Words in s. 237(3) inserted (31.12.2020) by The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), **7(3)(a)** (as amended by S.I. 2020/1301, regs. 1, 3, **Sch. para. 18(a)**) (with savings in S.I. 2019/680, **reg. 11**); 2020 c. 1, **Sch. 5 para. 1(1)**

F1833 Words in s. 237(3) omitted (28.6.2018 for specified purposes, 21.7.2018 in so far as not already in force) by virtue of The Money Market Funds Regulations 2018 (S.I. 2018/698), regs. 1(2), **2(4)**

F1834 Words in s. 237(3) substituted (31.12.2020) by The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), **7(3)(b)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F1835 Words in s. 237(3) inserted (23.2.2022) by Financial Services Act 2021 (c. 22), **ss. 24(1)(a)**, 49(5); S.I. 2022/163, reg. 2(a)

F1836 Words in s. 237(3) omitted (31.12.2020) by virtue of The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), **7(3)(c)** (with reg. 62) (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

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F1837 Words in s. 237(3) inserted (23.2.2022) by Financial Services Act 2021 (c. 22), **ss. 25(6)**, 49(5); S.I. 2022/163, reg. 2(b)
F1838 Words in s. 237(3) inserted (23.2.2022) by Financial Services Act 2021 (c. 22), **ss. 24(1)(b)**, 49(5); S.I. 2022/163, reg. 2(a)
F1839 Words in s. 237(3) inserted (31.12.2020) by The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), **7(3)(d)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)
F1840 S. 237(3): definitions of "UCITS" and "UK UCITS" inserted after definition of "a recognised scheme" (1.7.2011) by The Undertakings for Collective Investment in Transferable Securities Regulations 2011 (S.I. 2011/1613), **reg. 2(14)(b)(ii)**
F1841 Words in s. 237(3) inserted (6.6.2013) by The Collective Investment in Transferable Securities (Contractual Scheme) Regulations 2013 (S.I. 2013/1388), regs. 1, **3(6)(c)(ii)** (with reg. 24)
F1842 S. 237(4) inserted (1.7.2011) by The Undertakings for Collective Investment in Transferable Securities Regulations 2011 (S.I. 2011/1613), **reg. 2(14)(c)**
F1843 S. 237(5)-(8) inserted (6.6.2013) by The Collective Investment in Transferable Securities (Contractual Scheme) Regulations 2013 (S.I. 2013/1388), regs. 1, **3(6)(d)** (with reg. 24)

CHAPTER II

RESTRICTIONS ON PROMOTION

Modifications etc. (not altering text)
C1002 Pt. XVII Ch. II (ss. 238-241) modified (31.10.2001) by S.I. 2001/3347, **Sch. para. 8**

238 Restrictions on promotion.

(1) An authorised person must not communicate an invitation or inducement to participate in a collective investment scheme.

(2) But that is subject to the following provisions of this section and to section 239.

(3) Subsection (1) applies in the case of a communication originating outside the United Kingdom only if the communication is capable of having an effect in the United Kingdom.

(4) Subsection (1) does not apply in relation to—

(a) an authorised unit trust scheme;

[[F1844](aa) an authorised contractual scheme;**]**

(b) a scheme constituted by an authorised open-ended investment company; or

(c) a recognised scheme.

(5) Subsection (1) does not apply to anything done in accordance with rules made by the **[**[F1845]FCA**]** for the purpose of exempting from that subsection the promotion otherwise than to the general public of schemes of specified descriptions.

(6) The Treasury may by order specify circumstances in which subsection (1) does not apply.

(7) An order under subsection (6) may, in particular, provide that subsection (1) does not apply in relation to communications—

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(a) of a specified description;
(b) originating in a specified country or territory outside the United Kingdom;
(c) originating in a country or territory which falls within a specified description of country or territory outside the United Kingdom; or
(d) originating outside the United Kingdom.

(8) The Treasury may by order repeal subsection (3).

(9) "Communicate" includes causing a communication to be made.

(10) "Promotion otherwise than to the general public" includes promotion in a way designed to reduce, so far as possible, the risk of participation by persons for whom participation would be unsuitable.

(11) "Participate", in relation to a collective investment scheme, means become a participant (within the meaning given by section 235(2)) in the scheme.

Textual Amendments

F1844 S. 238(4)(aa) inserted (6.6.2013) by The Collective Investment in Transferable Securities (Contractual Scheme) Regulations 2013 (S.I. 2013/1388), regs. 1, **3(7)** (with reg. 24)

F1845 Word in ss. 237-239 substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), Sch. 18 para. 9(1)**(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

Commencement Information

I36 S. 238 wholly in force at 1.12.2001; s. 238 not in force at Royal Assent see s. 431(2); s. 238 in force for certain purposes at 25.2.2001 by S.I. 2001/516, art. 2(b), **Sch. Pt. 2**; s. 238 in force for specified purposes at 18.6.2001 by S.I. 2001/1820, art. 2, **Sch.**; s. 238 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**

239 Single property schemes.

(1) The Treasury may by regulations make provision for exempting single property schemes from section 238(1).

(2) For the purposes of subsection (1) a single property scheme is a scheme which has the characteristics mentioned in subsection (3) and satisfies such other requirements as are prescribed by the regulations conferring the exemption.

(3) The characteristics are—

(a) that the property subject to the scheme (apart from cash or other assets held for management purposes) consists of—

(i) a single building (or a single building with ancillary buildings) managed by or on behalf of the operator of the scheme, or

(ii) a group of adjacent or contiguous buildings managed by him or on his behalf as a single enterprise,

with or without ancillary land and with or without furniture, fittings or other contents of the building or buildings in question; and

(b) that the units of the participants in the scheme are either dealt in on a recognised investment exchange or offered on terms such that any agreement for their acquisition is conditional on their admission to dealings on such an exchange.

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(4) If regulations are made under subsection (1), the **[**F1845FCA**]** may make rules imposing duties or liabilities on the operator and (if any) the trustee or depositary of a scheme exempted by the regulations.

(5) The rules may include, to such extent as the **[**F1845FCA**]** thinks appropriate, provision for purposes corresponding to those for which provision can be made under section 248 in relation to authorised unit trust schemes.

Textual Amendments

F1845 Word in ss. 237-239 substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), Sch. 18 para. 9(1)**(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

Commencement Information

I37 S. 239 wholly in force at 18.6.2001; s. 239 not in force at Royal Assent see s. 431(2); s. 239(1)-(3) in force at 25.2.2001 by S.I. 2001/516, art. 2(a), **Sch. Pt. 1**; s. 239 in force in so far as not already in force at 18.6.2001 by S.I. 2001/1820, art. 2, **Sch.**

240 Restriction on approval of promotion.

(1) An authorised person may not approve for the purposes of section 21 the content of a communication relating to a collective investment scheme if he would be prohibited by section 238(1) from effecting the communication himself or from causing it to be communicated.

(2) For the purposes of determining in any case whether there has been a contravention of section 21(1), an approval given in contravention of subsection (1) is to be regarded as not having been given.

241 Actions for damages.

If an authorised person contravenes a requirement imposed on him by section 238 or 240, **[**F1846section 138D**]** applies to the contravention as it applies to a contravention mentioned in **[**F1846section 138D(2)**]**.

Textual Amendments

F1846 Words in s. 241 substituted (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments) Order 2013 (S.I. 2013/636), art. 1(2), **Sch. para. 6**

[F1847**CHAPTER 2A**

PROHIBITION ON ISSUE OF BEARER UNITS

Textual Amendments

F1847 Pt. 17 Ch. 2A inserted (1.1.2021) by The Bearer Certificates (Collective Investment Schemes) Regulations 2020 (S.I. 2020/1346), regs. 1(2), **2**

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241A. Bearer units no longer to be issued

(1) No bearer units in a collective investment scheme may be issued, converted or cancelled after 1 January 2021.

(2) Subsection (1) applies in relation to a collective investment scheme even if the arrangements constituting the scheme purport to authorise the issue, conversion or cancellation of bearer units in the scheme.

(3) In this section "bearer units", in relation to a collective investment scheme, means units in the scheme evidenced by a certificate, or any other documentary evidence of title, which indicates—

(a) that the holder of the document is entitled to the units specified in it; and

(b) that no entry identifying the holder of those units will be made in any register, or other record, of participants in the scheme.

(4) Subsection (1) does not apply to a collective investment scheme constituted by an open-ended investment company, but regulation 48 of the Open-Ended Investment Companies Regulations 2001 (S.I. 2001/1228) makes corresponding provision.**]**

CHAPTER III

AUTHORISED UNIT TRUST SCHEMES

Applications for authorisation

242 Applications for authorisation of unit trust schemes.

[F1848(1) The manager and trustee, or proposed manager and trustee, of a unit trust scheme may apply to the FCA for—

(a) an order declaring the scheme to be an authorised unit trust scheme;

(b) an order declaring the scheme to be an authorised money market fund.**]**

(2) The manager and trustee (or proposed manager and trustee) must be different persons.

(3) **[**F1849An application**]** —

(a) must be made in such manner as the **[**F1850FCA**]** may direct; and

(b) must contain or be accompanied by such information as the **[**F1850FCA**]** may reasonably require for the purpose of determining the application.

(4) At any time after receiving an application and before determining it, the **[**F1850FCA**]** may require the applicants to provide it with such further information as it reasonably considers necessary to enable it to determine the application.

(5) Different directions may be given, and different requirements imposed, in relation to different applications.

(6) The **[**F1850FCA**]** may require applicants to present information which they are required to give under this section in such form, or to verify it in such a way, as the **[**F1850FCA**]** may direct.

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Textual Amendments

F1848 S. 242(1) substituted (28.6.2018 for specified purposes, 21.7.2018 in so far as not already in force) by The Money Market Funds Regulations 2018 (S.I. 2018/698), regs. 1(2), **2(5)(a)**

F1849 Words in s. 242(3) substituted (28.6.2018 for specified purposes, 21.7.2018 in so far as not already in force) by The Money Market Funds Regulations 2018 (S.I. 2018/698), regs. 1(2), **2(5)(b)**

F1850 Word in ss. 242-252A substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), Sch. 18 para. 9(1)**(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

Modifications etc. (not altering text)

C1003 S. 242 extended (1.12.2001) by S.I. 2001/3592, **arts. 1(2)**, 39(1) (with art. 23(2))

Commencement Information

I38 S. 242 wholly in force at 1.12.2001; s. 242 not in force at Royal Assent see s. 431(2); s. 242(3) in force for specified purposes at 18.6.2001 by S.I. 2001/1820, art. 2, **Sch.**; s. 242 in force for specified purposes at 3.9.2001 by S.I. 2001/2632, art. 2(2), **Sch. Pt. 2**; s. 242 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**

243 Authorisation orders [F1851: authorised unit trust schemes].

(1) If, on an application under section **[**F1852242(1)(a)**]** in respect of a unit trust scheme, the **[**F1850FCA**]**—

(a) is satisfied that the scheme complies with the requirements set out in this section,

(b) is satisfied that the scheme complies with the requirements of the trust scheme rules, and

(c) has been provided with a copy of the trust deed and a certificate signed by a solicitor to the effect that it complies with such of the requirements of this section or those rules as relate to its contents,

the **[**F1850FCA**]** may make an order declaring the scheme to be an authorised unit trust scheme.

(2) If the **[**F1850FCA**]** makes an order under subsection (1), it must give written notice of the order to the applicant.

F1853(3) . . . . . .

(4) The manager and the trustee must be persons who are independent of each other.

[F1854(5) The manager and the trustee must each be a body corporate incorporated in the United Kingdom F1855..., and the affairs of each must be administered in the **[**F1856United Kingdom**]**.**]**

[F1857(5A) The manager and the trustee must each have a place of business in the United Kingdom.**]**

F1858(6) . . . . . .

(7) The manager and the trustee must each be an authorised person and the manager must have permission to act as manager and the trustee must have permission to act as trustee.

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

[[F1859](7A) The manager must be a fit and proper person to manage the unit trust scheme to which the application relates.**]**

(8) The name of the scheme must not be undesirable or misleading.

(9) The purposes of the scheme must be reasonably capable of being successfully carried into effect.

(10) The participants must be entitled to have their units redeemed in accordance with the scheme at a price—

(a) related to the net value of the property to which the units relate; and

(b) determined in accordance with the scheme.

(11) But a scheme is to be treated as complying with subsection (10) if it requires the manager to ensure that a participant is able to sell his units on an investment exchange at a price not significantly different from that mentioned in that subsection.

Textual Amendments

F1850 Word in ss. 242-252A substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), Sch. 18 para. 9(1)**(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1851 Words in s. 243 heading inserted (28.6.2018 for specified purposes, 21.7.2018 in so far as not already in force) by The Money Market Funds Regulations 2018 (S.I. 2018/698), regs. 1(2), **2(6)(a)**

F1852 Word in s. 243(1) substituted (28.6.2018 for specified purposes, 21.7.2018 in so far as not already in force) by The Money Market Funds Regulations 2018 (S.I. 2018/698), regs. 1(2), **2(6)(b)**

F1853 S. 243(3) omitted (28.6.2018 for specified purposes, 21.7.2018 in so far as not already in force) by virtue of The Money Market Funds Regulations 2018 (S.I. 2018/698), regs. 1(2), **2(6)(c)**

F1854 S. 243(5)(5A) substituted for s. 243(5) (1.7.2011) by The Undertakings for Collective Investment in Transferable Securities Regulations 2011 (S.I. 2011/1613), **reg. 2(15)(a)**

F1855 Words in s. 243(5) omitted (31.12.2020) by virtue of The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), **8(2)(a)** (with reg. 73) (as amended by S.I. 2020/1301, regs. 1, 3, Sch. para. 18(g) and with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F1856 Words in s. 243(5) substituted (31.12.2020) by The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), **8(2)(b)** (with reg. 73) (as amended by S.I. 2020/1301, regs. 1, 3, Sch. para. 18(g) and with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F1857 S. 243(5A) substituted (31.12.2020) by The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), **8(3)** (with reg. 73) (as amended by S.I. 2020/1301, regs. 1, 3, Sch. para. 18(g) and with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F1858 S. 243(6) omitted (31.12.2020) by virtue of The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), **8(4)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F1859 S. 243(7A) inserted (1.7.2011) by The Undertakings for Collective Investment in Transferable Securities Regulations 2011 (S.I. 2011/1613), **reg. 2(15)(b)**

Modifications etc. (not altering text)

C1004 S. 243(1) extended (1.12.2001) by S.I. 2001/2636, **arts. 1(2)(b)**, 65(1); S.I. 2001/3538, **art. 2(1)**

C1005 S. 243(5) excluded (31.12.2020) by Regulation (EU) No. 760/2015, Art. 29(1A) (as substituted by The Long-term Investment Funds (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/336), regs. 1(3), **34(2)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1))

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C1006 S. 243(5A) excluded (31.12.2020) by Regulation (EU) No. 760/2015, Art. 29(1A) (as substituted by The Long-term Investment Funds (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/336), regs. 1(3), **34(2)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1))

Commencement Information

I39 S. 243 wholly in force at 1.12.2001; s. 243 not in force at Royal Assent see s. 431(2); s. 243 in force for specified purposes at 3.9.2001 by S.I. 2001/2632, art. 2(2), **Sch. Pt. 2**; s. 243 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**

[F1860 243A Authorisation orders: authorised money market funds

(1) If, on an application under section 242(1)(b) in respect of a unit trust scheme, conditions A and B are met the FCA may make an order declaring the scheme to be an authorised money market fund.

(2) Condition A is that the FCA is satisfied that the scheme will be able to comply with the requirements imposed on a money market fund under the MMF Regulation.

(3) Condition B is that—

(a) the scheme is an authorised unit trust scheme, or

(b) the scheme—

(i) is the subject of an application under section 242(1)(a), and

(ii) the conditions in section 243(1)(a) to (c) are met in relation to that application.

(4) If the FCA makes an order under subsection (1), it must give written notice of the order to the applicant.

(5) In this Chapter "authorisation order" means—

(a) an order under section 243(1), or

(b) an order under subsection (1) of this section.**]**

Textual Amendments

F1860 S. 243A inserted (28.6.2018 for specified purposes, 21.7.2018 in so far as not already in force) by The Money Market Funds Regulations 2018 (S.I. 2018/698), regs. 1(2), **2(7)**

244 Determination of applications.

(1) **[**F1861 Subject to subsection (1A),**]** An application under section **[**F1862 242(1)(a)**]** must be determined by the **[**F1850 FCA**]** before the end of the period of six months beginning with the date on which it receives the completed application.

[F1863 (1A) An application under **[**F1864 section 242(1)(a) in respect of a unit trust scheme which is a UCITS, or an application under section 242(1)(b),**]** must be determined by the **[**F1850 FCA**]** before the end of two months beginning with the date on which it receives the application.**]**

(2) The **[**F1850 FCA**]** may determine an incomplete application if it considers it appropriate to do so; and it must in any event determine such an application within twelve months beginning with the date on which it first receives the application.

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

(3) The applicant may withdraw his application, by giving the **[**F1850FCA**]** written notice, at any time before the **[**F1850FCA**]** determines it.

Textual Amendments

F1850 Word in ss. 242-252A substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), Sch. 18 para. 9(1)**(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1861 Words in s. 244(1) inserted (1.7.2011) by The Undertakings for Collective Investment in Transferable Securities Regulations 2011 (S.I. 2011/1613), **reg. 2(16)(a)**

F1862 Word in s. 244(1) substituted (28.6.2018 for specified purposes, 21.7.2018 in so far as not already in force) by The Money Market Funds Regulations 2018 (S.I. 2018/698), regs. 1(2), **2(8)(a)**

F1863 S. 244(1A) inserted (1.7.2011) by The Undertakings for Collective Investment in Transferable Securities Regulations 2011 (S.I. 2011/1613), **reg. 2(16)(b)**

F1864 Words in s. 244(1A) substituted (28.6.2018 for specified purposes, 21.7.2018 in so far as not already in force) by The Money Market Funds Regulations 2018 (S.I. 2018/698), regs. 1(2), **2(8)(b)**

Modifications etc. (not altering text)

C1007 S. 244 applied (1.12.2001) by S.I. 2001/3592, **arts. 1(2)**, 39(1) (with art. 23(2))

Commencement Information

I40 S. 244 wholly in force at 1.12.2001; s. 244 not in force at Royal Assent see s. 431(2); s. 244 in force for specified purposes at 3.9.2001 by S.I. 2001/2632, art. 2(2), **Sch. Pt. 2**; s. 244 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**

Applications refused

245 Procedure when refusing an application.

(1) If the **[**F1850FCA**]** proposes to refuse an application made under section 242 it must give each of the applicants a warning notice.

(2) If the **[**F1850FCA**]** decides to refuse the application—

(a) it must give each of the applicants a decision notice; and

(b) either applicant may refer the matter to the Tribunal.

Textual Amendments

F1850 Word in ss. 242-252A substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), Sch. 18 para. 9(1)**(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

Commencement Information

I41 S. 245 wholly in force at 1.12.2001; s. 245 not in force at Royal Assent see s. 431(2); s. 245 in force for specified purposes at 3.9.2001 by S.I. 2001/2632, art. 2(2), **Sch. Pt. 2**; s. 245 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**

Status: *This version of this Act contains provisions that are prospective.*
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Certificates

246 Certificates.

(1) If the manager or trustee of a unit trust scheme which complies with the conditions necessary for it to **[**F1865be a UK UCITS**]** so requests, the **[**F1850FCA**]** may issue a certificate to the effect that the scheme complies with those conditions.

(2) Such a certificate may be issued on the making of an authorisation order in respect of the scheme or at any subsequent time.

Textual Amendments

F1850 Word in ss. 242-252A substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), Sch. 18 para. 9(1)**(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1865 Words in s. 246(1) substituted (31.12.2020) by The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), **9** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

Modifications etc. (not altering text)

C1008 S. 246 extended (1.12.2001) by S.I. 2001/2636, **arts. 1(2)(b)**, 65(3); S.I. 2001/3538, **art. 2(1)**

Commencement Information

I42 S. 246 wholly in force at 1.12.2001; s. 246 not in force at Royal Assent see s. 431(2); s. 246 in force for specified purposes at 3.9.2001 by S.I. 2001/2632, art. 2(2), **Sch. Pt. 2**; s. 246 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**

Rules

247 Trust scheme rules.

(1) The **[**F1850FCA**]** may make rules ("trust scheme rules") as to—

(a) the constitution, management and operation of authorised unit trust schemes;

(b) the powers, duties, rights and liabilities of the manager and trustee of any such scheme;

(c) the rights and duties of the participants in any such scheme; and

(d) the winding up of any such scheme.

(2) Trust scheme rules may, in particular, make provision—

(a) as to the issue and redemption of the units under the scheme;

(b) as to the expenses of the scheme and the means of meeting them;

(c) for the appointment, removal, powers and duties of an auditor for the scheme;

(d) for restricting or regulating the investment and borrowing powers exercisable in relation to the scheme;

(e) requiring the keeping of records with respect to the transactions and financial position of the scheme and for the inspection of those records;

(f) requiring the preparation of periodical reports with respect to the scheme and the provision of those reports to the participants and to the **[**F1850FCA**]**; and

(g) with respect to the amendment of the scheme.

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Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

(3) Trust scheme rules may make provision as to the contents of the trust deed, including provision requiring any of the matters mentioned in subsection (2) to be dealt with in the deed.

(4) But trust scheme rules are binding on the manager, trustee and participants independently of the contents of the trust deed and, in the case of the participants, have effect as if contained in it.

(5) If—

(a) a modification is made of the statutory provisions in force in **[**F1866the United Kingdom**]** relating to companies,

(b) the modification relates to the rights and duties of persons who hold the beneficial title to any shares in a company without also holding the legal title, and

(c) it appears to the Treasury that, for the purpose of assimilating the law relating to authorised unit trust schemes to the law relating to companies as so modified, it is expedient to modify the rule-making powers conferred on the **[**F1850FCA**]** by this section,

the Treasury may by order make such modifications of those powers as they consider appropriate.

Textual Amendments

F1850 Word in ss. 242-252A substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), Sch. 18 para. 9(1)**(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1866 Words in s. 247(5)(a) substituted (12.5.2011) by The Companies Act 2006 (Consequential Amendments and Transitional Provisions) Order 2011 (S.I. 2011/1265), **art. 12(2)**

248 Scheme particulars rules.

(1) The **[**F1850FCA**]** may make rules ("scheme particulars rules") requiring the manager of an authorised unit trust scheme—

(a) to submit scheme particulars to the **[**F1850FCA**]**; and

(b) to publish scheme particulars or make them available to the public on request.

(2) "Scheme particulars" means particulars in such form, containing such information about the scheme and complying with such requirements, as are specified in scheme particulars rules.

(3) Scheme particulars rules may require the manager of an authorised unit trust scheme to submit, and to publish or make available, revised or further scheme particulars if there is a significant change affecting any matter—

(a) which is contained in scheme particulars previously published or made available; and

(b) whose inclusion in those particulars was required by the rules.

(4) Scheme particulars rules may require the manager of an authorised unit trust scheme to submit, and to publish or make available, revised or further scheme particulars if—

(a) a significant new matter arises; and

(b) the inclusion of information in respect of that matter would have been required in previous particulars if it had arisen when those particulars were prepared.

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

(5) Scheme particulars rules may provide for the payment, by the person or persons who in accordance with the rules are treated as responsible for any scheme particulars, of compensation to any qualifying person who has suffered loss as a result of—

(a) any untrue or misleading statement in the particulars; or

(b) the omission from them of any matter required by the rules to be included.

(6) "Qualifying person" means a person who—

(a) has become or agreed to become a participant in the scheme; or

(b) although not being a participant, has a beneficial interest in units in the scheme.

(7) Scheme particulars rules do not affect any liability which any person may incur apart from the rules.

Textual Amendments

F1850 Word in ss. 242-252A substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), Sch. 18 para. 9(1)**(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

249 [F1867Disciplinary measures]

(1) If it appears to the **[**F1850FCA**]** that an auditor has failed to comply with a duty imposed on him by trust scheme rules, **[**F1868it may do one or more of the following—

(a) disqualify the auditor from being the auditor of any authorised unit trust scheme **[**F1869, authorised contractual scheme**]** or authorised open-ended investment company;

(b) publish a statement to the effect that it appears to the FCA that the auditor has failed to comply with the duty;

(c) impose on the auditor a penalty, payable to the FCA, of such amount as the FCA considers appropriate.**]**

[F1870(2) Sections 345B to 345E have effect in relation to the taking of action under subsection (1) as they have effect in relation to the taking of action under section 345(2).**]**

Textual Amendments

F1850 Word in ss. 242-252A substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), Sch. 18 para. 9(1)**(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1867 S. 249 heading substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 18 para. 10(4)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F1868 Words in s. 249(1) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 18 para. 10(2)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F1869 Words in s. 249(1)(a) inserted (6.6.2013) by The Collective Investment in Transferable Securities (Contractual Scheme) Regulations 2013 (S.I. 2013/1388), regs. 1, **3(8)** (with reg. 24)

F1870 S. 249(2) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 18 para. 10(3)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Modifications etc. (not altering text)

C1009 S. 249(1) applied (with modifications) (N.I.) (1.11.2004) by Open-Ended Investment Companies Regulations (Northern Ireland) (S.R. 2004/335), regs. 1(1)(b), 69, {Sch. 5 para. 20} (with reg. 1(2))

C1010 S. 249(1) applied (with modifications) (1.4.2013) by The Financial Services Act 2012 (Transitional Provisions) (Enforcement) Order 2013 (S.I. 2013/441), arts. 1(1), **12(2)**

250 Modification or waiver of rules.

(1) In this section "rules" means—

(a) trust scheme rules; or

(b) scheme particulars rules.

(2) The **[**F1850FCA**]** may, on the application or with the consent of any person to whom any rules apply, direct that all or any of the rules—

(a) are not to apply to him as respects a particular scheme; or

(b) are to apply to him, as respects a particular scheme, with such modifications as may be specified in the direction.

(3) The **[**F1850FCA**]** may, on the application or with the consent of the manager and trustee of a particular scheme acting jointly, direct that all or any of the rules—

(a) are not to apply to the scheme; or

(b) are to apply to the scheme with such modifications as may be specified in the direction.

(4) **[**F1871Section 138A and subsections (1) to (3), (5) and (6) of section 138B**]** have effect in relation to a direction under subsection (2) as they have effect in relation to a direction under **[**F1872section 138A(1)**]** but with the following modifications—

(a) F1873. . . . . .

(b) any reference to the **[**F1874person**]** is to be read as a reference to the person mentioned in subsection (2); and

(c) **[**F1875section 138B(3)(c)**]** is to be read, in relation to a participant of the scheme, as if the word "commercial" were omitted.

(5) **[**F1876Section 138A and subsections (1) to (3), (5) and (6) of section 138B**]** have effect in relation to a direction under subsection (3) as they have effect in relation to a direction under **[**F1877section 138A(1)**]** but with the following modifications—

(a) **[**F1878subsection (4)(a) of section 138A**]** is to be read as if the words "by the F1879. . . person" were omitted;

(b) **[**F1880section 138B(3)(c) and the definition of "immediate group" in section 421ZA as it applies to that section**]** are to be read as if references to the F1879. . . person were references to each of the manager and the trustee of the scheme;

(c) **[**F1881section 138B(3)(c)**]** is to be read, in relation to a participant of the scheme, as if the word "commercial" were omitted;

(d) **[**F1882section 138B(5)**]** is to be read as if the reference to the F1879. . . person concerned were a reference to the scheme concerned and to its manager and trustee; and

(e) **[**F1883section 138A(7)**]** is to be read as if the reference to the F1879. . . person were a reference to the manager and trustee of the scheme acting jointly.

Status: *This version of this Act contains provisions that are prospective.*
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Textual Amendments

F1850 Word in ss. 242-252A substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), Sch. 18 para. 9(1)**(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1871 Words in s. 250(4) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 18 para. 11(2)(a)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1872 Words in s. 250(4) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 18 para. 11(2)(b)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1873 S. 250(4)(a) omitted (12.7.2007) by virtue of The Regulatory Reform (Financial Services and Markets Act 2000) Order 2007 (S.I. 2007/1973), **art. 11(a)**

F1874 Word in s. 250(4)(b) substituted (12.7.2007) by The Regulatory Reform (Financial Services and Markets Act 2000) Order 2007 (S.I. 2007/1973), **art. 11(b)**

F1875 Words in s. 250(4)(c) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 18 para. 11(2)(c)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1876 Words in s. 250(5) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 18 para. 11(3)(a)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1877 Words in s. 250(5) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 18 para. 11(3)(b)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1878 Words in s. 250(5)(a) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 18 para. 11(3)(c)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1879 Word in s. 250(5)(a)(b)(d)(e) omitted (12.7.2007) by virtue of The Regulatory Reform (Financial Services and Markets Act 2000) Order 2007 (S.I. 2007/1973), **art. 11(c)**

F1880 Words in s. 250(5)(b) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 18 para. 11(3)(d)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1881 Words in s. 250(5)(c) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 18 para. 11(3)(e)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1882 Words in s. 250(5)(d) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 18 para. 11(3)(f)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1883 Words in s. 250(5)(e) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 18 para. 11(3)(g)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

Modifications etc. (not altering text)

C1011 S. 250(2) amended (*temp.* from 3.9.2001 to 1.12.2001) by S.I. 2001/2659, **arts. 1(2)**, 3(6); S.I. 2001/3538, **art. 2(1)**

Alterations

251 Alteration of schemes and changes of manager or trustee.

[F1884(A1) This section applies where the manager of an authorised unit trust scheme proposes—

(a) to make an alteration to the scheme, other than an alteration—

(i) to which section 252A applies; or

(ii) to which Part 4 of the Undertakings for Collective Investment in Transferable Securities Regulations 2011 (mergers) applies; or

(b) to replace its trustee.

(1) The manager must give written notice of the proposal to the **[**F1850FCA**].]**

(2) Any notice given in respect of a proposal to alter the scheme involving a change in the trust deed must be accompanied by a certificate signed by a solicitor to the effect that the change will not affect the compliance of the deed with the trust scheme rules.

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(3) The trustee of an authorised unit trust scheme must give written notice to the **[**F1850FCA**]** of any proposal to replace the manager of the scheme.

(4) Effect is not to be given to any proposal of which notice has been given under subsection (1) or (3) unless—

(a) the **[**F1850FCA**]**, by written notice, has given its approval to the proposal; or

(b) one month, beginning with the date on which the notice was given, has expired without the manager or trustee having received from the **[**F1850FCA**]** a warning notice under section 252 in respect of the proposal.

(5) The **[**F1850FCA**]** must not approve a proposal to replace the manager or the trustee of an authorised unit trust scheme unless it is satisfied that, if the proposed replacement is made, the scheme will continue to comply with the requirements of section 243(4) to (7).

Textual Amendments

F1850 Word in ss. 242-252A substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), Sch. 18 para. 9(1)**(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1884 S. 251(A1)(1) substituted for s. 251(1) (1.7.2011) by The Undertakings for Collective Investment in Transferable Securities Regulations 2011 (S.I. 2011/1613), **reg. 2(17)**

Modifications etc. (not altering text)

C1012 S. 251 amended (*temp.* from 3.9.2001 to 1.12.2001) by S.I. 2001/2659, **arts. 1(2)**, 3(7); S.I. 2001/3538, **art. 2(1)**

C1013 S. 251(1) extended (1.12.2001) by S.I. 2001/3592, **arts. 1(2)**, 40(1) (with art. 23(2))

C1014 S. 251(3) extended (1.12.2001) by S.I. 2001/3592, **arts. 1(2)**, 41(1) (with art. 23(2))

Commencement Information

I43 S. 251 wholly in force at 1.12.2001; s. 251 not in force at Royal Assent see s. 431(2); s. 251 (except subsection (4)(b)) in force for specified purposes at 3.9.2001 by S.I. 2001/2632, art. 2(2), **Sch. Pt. 2**; s. 251 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**

252 Procedure when refusing approval **[**F1885**of a proposal under section 251].**

(1) If the **[**F1850FCA**]** proposes to refuse approval of a proposal **[**F1886**under section 251]** to replace the trustee or manager of an authorised unit trust scheme, it must give a warning notice to the person by whom notice of the proposal was given under section 251(1) or (3).

(2) If the **[**F1850FCA**]** proposes to refuse approval of a proposal **[**F1886**under section 251]** to alter an authorised unit trust scheme it must give separate warning notices to the manager and the trustee of the scheme.

(3) To be valid the warning notice must be received by that person before the end of one month beginning with the date on which notice of the proposal was given.

(4) If, having given a warning notice to a person, the **[**F1850FCA**]** decides to refuse approval—

(a) it must give him a decision notice; and

(b) he may refer the matter to the Tribunal.

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Textual Amendments

F1850 Word in ss. 242-252A substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), Sch. 18 para. 9(1)**(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1885 Words in s. 252 heading substituted (1.7.2011) by The Undertakings for Collective Investment in Transferable Securities Regulations 2011 (S.I. 2011/1613), **reg. 2(18)(a)**

F1886 Words in s. 252(1)(2) inserted (1.7.2011) by The Undertakings for Collective Investment in Transferable Securities Regulations 2011 (S.I. 2011/1613), **reg. 2(18)(b)**

Modifications etc. (not altering text)

C1015 S. 252 amended (*temp.* from 3.9.2001 to 1.12.2001) by S.I. 2001/2659, **arts. 1(2)**, 3(7); S.I. 2001/3538, **art. 2(1)**

C1016 S. 252(3) modified (1.12.2001) by S.I. 2001/3592, **arts. 1(2)**, 40(3), 41(2) (with art. 23(2))

Commencement Information

I44 S. 252 wholly in force at 1.12.2001; s. 252 not in force at Royal Assent see s. 431(2); s. 252 in force for specified purposes at 3.9.2001 by S.I. 2001/2632, art. 2(2), **Sch. Pt. 2**; s. 252 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**

[F1887 252A Proposal to convert to a non-feeder UCITS

(1) This section applies where the manager of an authorised unit trust scheme which is a feeder UCITS proposes to make an alteration to the scheme which—

(a) involves a change in the trust deed, and

(b) will enable the scheme to convert into a **[**F1888 UK**]** UCITS which is not a feeder UCITS.

(2) The manager must give written notice of the proposal to the **[**F1850 FCA**]**.

(3) Any notice given in respect of such a proposal must be accompanied by—

(a) a certificate signed by a solicitor to the effect that the change will not affect the compliance of the deed with the trust scheme rules; and

(b) the specified information.

(4) The **[**F1850 FCA**]** must, within 15 working days after the date on which it received the notice under subsection (2), give—

(a) written notice to the manager of the scheme that the **[**F1850 FCA**]** approves the proposed amendments to the trust deed, or

(b) separate warning notices to the manager and trustee of the scheme that the **[**F1850 FCA**]** proposes to refuse approval of the proposed amendments.

(5) Effect is not to be given to any proposal of which notice has been given under subsection (2) unless the **[**F1850 FCA**]**, by written notice, has given its approval to the proposal.

(6) If, having given a warning notice to a person, the **[**F1850 FCA**]** decides to refuse approval—

(a) it must give that person a decision notice; and

(b) that person may refer the matter to the Tribunal.

(7) Subsection (8) applies where—

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(a) the notice given under subsection (2) relates to a proposal to amend the trust deed of a feeder UCITS to enable it to convert into a **[**F1889UK**]**UCITS which is not a feeder UCITS following the winding-up of its master UCITS; and

(b) the proceeds of the winding-up are to be paid to the feeder UCITS before the date on which the feeder UCITS proposes to start investing in accordance with the new investment objectives and policy provided for in its amended trust deed and scheme rules.

(8) Where this subsection applies, the **[**F1850FCA**]** may only approve the proposal subject to the conditions set out in section 283A(5) and (6).

(9) In this section, "specified" means—

[F1890(a) specified in rule 11.6.3(2) of the Collective Investment Schemes sourcebook, or**]**

[F1890(b) specified in UCITS-related direct EU legislation.**]]**

Textual Amendments

F1850 Word in ss. 242-252A substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), Sch. 18 para. 9(1)**(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1887 S. 252A inserted (1.7.2011) by The Undertakings for Collective Investment in Transferable Securities Regulations 2011 (S.I. 2011/1613), **reg. 2(19)**

F1888 Word in s. 252A(1)(b) inserted (31.12.2020) by The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), **10(2)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F1889 Word in s. 252A(7)(a) inserted (31.12.2020) by The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), **10(3)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F1890 S. 252A(9)(a)(b) substituted (31.12.2020) by The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), **10(4)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

Exclusion clauses

253 Avoidance of exclusion clauses.

Any provision of the trust deed of an authorised unit trust scheme is void in so far as it would have the effect of exempting the manager or trustee from liability for any failure to exercise due care and diligence in the discharge of his functions in respect of the scheme.

Ending of authorisation

254 Revocation of authorisation order otherwise than by consent.

(1) An authorisation order may be revoked by an order made by the **[**F1891FCA**]** if it appears to the **[**F1891FCA**]** that—

(a) one or more of the requirements for the making of the order are no longer satisfied;

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(b) the manager or trustee of the scheme concerned has contravened a requirement imposed on him by or under this Act;

(c) the manager or trustee of the scheme has, in purported compliance with any such requirement, knowingly or recklessly given the **[**F1891FCA**]** information which is false or misleading in a material particular;

(d) no regulated activity is being carried on in relation to the scheme and the period of that inactivity began at least twelve months earlier; or

(e) none of paragraphs (a) to (d) applies, but it is desirable to revoke the authorisation order in order to protect the interests of participants or potential participants in the scheme.

(2) For the purposes of subsection (1)(e), the **[**F1891FCA**]** may take into account any matter relating to—

(a) the scheme;

(b) the manager or trustee;

(c) any person employed by or associated with the manager or trustee in connection with the scheme;

(d) any director of the manager or trustee;

(e) any person exercising influence over the manager or trustee;

(f) any body corporate in the same group as the manager or trustee;

(g) any director of any such body corporate;

(h) any person exercising influence over any such body corporate.

Textual Amendments

F1891 Word in ss. 254-262 substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), Sch. 18 para. 9(1)**(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

Modifications etc. (not altering text)

C1017 S. 254 applied (with modifications) (1.12.2001) by S.I. 2001/3592, **arts. 1(2)**, 46(4)(5) (with art. 23(2))

C1018 S. 254(1)(a) modified (1.12.2001) by S.I. 2001/2636, **arts. 1(2)(b)**, 65(2); S.I. 2001/3538, **art. 2(1)**

C1019 S. 254(1)(d) excluded (*temp.* from 3.9.2001 to 1.12.2001) by S.I. 2001/2659, **arts. 1(2)**, 3(2); S.I. 2001/3538, **art. 2(1)**

255 Procedure.

(1) If the **[**F1891FCA**]** proposes to make an order under section 254 revoking an authorisation order ("a revoking order"), it must give separate warning notices to the manager and the trustee of the scheme.

(2) If the **[**F1891FCA**]** decides to make a revoking order, it must without delay give each of them a decision notice and either of them may refer the matter to the Tribunal.

Textual Amendments

F1891 Word in ss. 254-262 substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), Sch. 18 para. 9(1)**(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

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Modifications etc. (not altering text)
C1020 S. 255(1) extended (1.12.2001) by S.I. 2001/3592, **arts. 1(2)**, 46(1) (with art. 23(2))

256 Requests for revocation of authorisation order.

(1) An authorisation order may be revoked by an order made by the **[**F1891FCA**]** at the request of the manager or trustee of the scheme concerned.

(2) If the **[**F1891FCA**]** makes an order under subsection (1), it must give written notice of the order to the manager and trustee of the scheme concerned.

(3) The **[**F1891FCA**]** may refuse a request to make an order under this section if it considers that—

(a) the public interest requires that any matter concerning the scheme should be investigated before a decision is taken as to whether the authorisation order should be revoked; or

(b) revocation would not be in the interests of the participants F1892....

(4) If the **[**F1891FCA**]** proposes to refuse a request under this section, it must give separate warning notices to the manager and the trustee of the scheme.

(5) If the **[**F1891FCA**]** decides to refuse the request, it must without delay give each of them a decision notice and either of them may refer the matter to the Tribunal.

Textual Amendments
F1891 Word in ss. 254-262 substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), Sch. 18 para. 9(1)**(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.
F1892 Words in s. 256(3)(b) omitted (31.12.2020) by virtue of The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), **11** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

Modifications etc. (not altering text)
C1021 S. 256(1) extended (1.12.2001) by S.I. 2001/3592, **arts. 1(2)**, 46(6) (with art. 23(2))

Powers of intervention

257 Directions.

(1) The **[**F1891FCA**]** may give a direction under this section if it appears to the **[**F1891FCA**]** that—

(a) one or more of the requirements for the making of an authorisation order are no longer satisfied;

[F1893(b) the manager or trustee of an authorised unit trust scheme has contravened, or is likely to contravene, a requirement imposed—

(i) by or under this Act; F1894...

(ii) by **[**F1895UCITS-related direct EU legislation;**]** or

[F1896(iii) by the MMF Regulation or any directly applicable regulation or decision made under that Regulation **[**F1897which constitutes **[**F1898assimilated direct**]** legislation**]**;**]]**

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(c) the manager or trustee of such a scheme has, in purported compliance with any such requirement, knowingly or recklessly given the **[**F1891FCA**]** information which is false or misleading in a material particular; or

(d) none of paragraphs (a) to (c) applies, but it is desirable to give a direction in order to protect the interests of participants or potential participants in such a scheme.

(2) A direction under this section may—

(a) require the manager of the scheme to cease the issue or redemption, or both the issue and redemption, of units under the scheme;

(b) require the manager and trustee of the scheme to wind it up.

(3) If the authorisation order is revoked, the revocation does not affect any direction under this section which is then in force.

(4) A direction may be given under this section in relation to a scheme in the case of which the authorisation order has been revoked if a direction under this section was already in force at the time of revocation.

(5) If a person contravenes a direction under this section, **[**F1899section 138D**]** applies to the contravention as it applies to a contravention mentioned in that section.

(6) The **[**F1891FCA**]** may, either on its own initiative or on the application of the manager or trustee of the scheme concerned, revoke or vary a direction given under this section if it appears to the **[**F1891FCA**]**—

(a) in the case of revocation, that it is no longer necessary for the direction to take effect or continue in force;

(b) in the case of variation, that the direction should take effect or continue in force in a different form.

Textual Amendments

F1891 Word in ss. 254-262 substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), Sch. 18 para. 9(1)**(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1893 S. 257(1)(b) substituted (1.7.2011) by The Undertakings for Collective Investment in Transferable Securities Regulations 2011 (S.I. 2011/1613), **reg. 2(20)**

F1894 Word in s. 257(1)(b)(i) omitted (28.6.2018 for specified purposes, 21.7.2018 in so far as not already in force) by virtue of The Money Market Funds Regulations 2018 (S.I. 2018/698), regs. 1(2), **2(9)(a)**

F1895 Words in s. 257(1)(b)(ii) substituted (31.12.2020) by The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), **12(a)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F1896 S. 257(1)(b)(iii) inserted (28.6.2018 for specified purposes, 21.7.2018 in so far as not already in force) by The Money Market Funds Regulations 2018 (S.I. 2018/698), regs. 1(2), **2(9)(c)**

F1897 Words in s. 257(1)(b)(iii) inserted (31.12.2020) by The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), **12(b)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F1898 Words in s. 257(1)(b)(iii) substituted (1.1.2024) by The Retained EU Law (Revocation and Reform) Act 2023 (Consequential Amendment) Regulations 2023 (S.I. 2023/1424), reg. 1(2), **Sch. para. 44(4)(i)**

F1899 Words in s. 257(5) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 18 para. 12** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

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Modifications etc. (not altering text)

C1022 S. 257(1) extended (1.12.2001) by S.I. 2001/2636, **arts. 1(2)(b)**, 69(1); S.I. 2001/3538, **art. 2(1)**

C1023 S. 257(6) extended (1.12.2001) by S.I. 2001/2636, **arts. 1(2)(b)**, 69(3); S.I. 2001/3538, **art. 2(1)**

Commencement Information

I45 S. 257 wholly in force at 1.12.2001; s. 257 not in force at Royal Assent see s. 431(2); s. 257 in force for specified purposes at 3.9.2001 by S.I. 2001/2632, art. 2(2), **Sch. Pt. 2**; s. 257 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**

258 Applications to the court.

(1) If the **[**[F1891]FCA**]** could give a direction under section 257, it may also apply to the court for an order—

(a) removing the manager or the trustee, or both the manager and the trustee, of the scheme; and

(b) replacing the person or persons removed with a suitable person or persons nominated by the **[**[F1891]FCA**]**.

(2) The **[**[F1891]FCA**]** may nominate a person for the purposes of subsection (1)(b) only if it is satisfied that, if the order was made, the requirements of section 243(4) to (7) would be complied with.

(3) If it appears to the **[**[F1891]FCA**]** that there is no person it can nominate for the purposes of subsection (1)(b), it may apply to the court for an order—

(a) removing the manager or the trustee, or both the manager and the trustee, of the scheme; and

(b) appointing an authorised person to wind up the scheme.

(4) On an application under this section the court may make such order as it thinks fit.

(5) The court may, on the application of the **[**[F1891]FCA**]**, rescind any such order as is mentioned in subsection (3) and substitute such an order as is mentioned in subsection (1).

(6) The **[**[F1891]FCA**]** must give written notice of the making of an application under this section to the manager and trustee of the scheme concerned.

(7) The jurisdiction conferred by this section may be exercised by—

(a) the High Court;

(b) in Scotland, the Court of Session.

Textual Amendments

F1891 Word in ss. 254-262 substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), Sch. 18 para. 9(1)**(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

[[F1900]**258A Winding up or merger of master UCITS**

(1) Subsection (2) applies if a master UCITS which has one or more feeder UCITS which are authorised unit trust schemes is wound up, whether as a result of a direction

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given by the **[**[F1891]FCA**]** under section 257 **[**[F1901]or 261X**]**, an order of the court under section 258 **[**[F1902]or 261Y**]**, rules made by the **[**[F1891]FCA**]** or otherwise.

(2) The **[**[F1891]FCA**]** must direct the manager and trustee of any authorised unit trust scheme which is a feeder UCITS of the master UCITS to wind up the feeder UCITS unless—

(a) the **[**[F1891]FCA**]** approves under section 283A the investment by the feeder UCITS of at least 85% of the total property which is subject to the collective investment scheme constituted by the feeder UCITS in units of another UCITS or master UCITS; or

(b) the **[**[F1891]FCA**]** approves under section 252A an amendment of the trust deed of the feeder UCITS which would enable it to convert into a **[**[F1903]UK**]**UCITS which is not a feeder UCITS.

(3) Subsection (4) applies if a master UCITS which has one or more feeder UCITS which are authorised unit trust schemes—

(a) merges with another UCITS, or

(b) is divided into two or more UCITS.

(4) The **[**[F1891]FCA**]** must direct the manager and trustee of any authorised unit trust scheme which is a feeder UCITS of the master UCITS to wind up the scheme unless—

(a) the **[**[F1891]FCA**]** approves under section 283A the investment by the scheme of at least 85% of the total property which is subject to the collective investment scheme constituted by the feeder UCITS in the units of—

(i) the master UCITS which results from the merger;

(ii) one of the UCITS resulting from the division; or

(iii) another UCITS or master UCITS;

(b) the **[**[F1891]FCA**]** approves under section 252A an amendment of the trust deed of the scheme which would enable it to convert into a **[**[F1904]UK**]**UCITS which is not a feeder UCITS.**]**

Textual Amendments

F1891 Word in ss. 254-262 substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), Sch. 18 para. 9(1)**(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1900 S. 258A inserted (1.7.2011) by The Undertakings for Collective Investment in Transferable Securities Regulations 2011 (S.I. 2011/1613), **reg. 2(21)**

F1901 Words in s. 258A(1) inserted (6.6.2013) by The Collective Investment in Transferable Securities (Contractual Scheme) Regulations 2013 (S.I. 2013/1388), regs. 1, **3(9)(a)** (with reg. 24)

F1902 Words in s. 258A(1) inserted (6.6.2013) by The Collective Investment in Transferable Securities (Contractual Scheme) Regulations 2013 (S.I. 2013/1388), regs. 1, **3(9)(b)** (with reg. 24)

F1903 Word in s. 258A(2)(b) inserted (31.12.2020) by The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), **13(2)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F1904 Word in s. 258A(4)(b) inserted (31.12.2020) by The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), **13(3)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

259 Procedure on giving directions under section 257 [F1905or 258A] and varying them on [F1906FCA's] own initiative.

(1) A direction **[**[F1907]under section 257 or 258A**]** takes effect—

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(a) immediately, if the notice given under subsection (3) states that that is the case;
(b) on such date as may be specified in the notice; or
(c) if no date is specified in the notice, when the matter to which it relates is no longer open to review.

(2) A direction **[**F1908under section 257**]** may be expressed to take effect immediately (or on a specified date) only if the **[**F1891FCA**]**, having regard to the ground on which it is exercising its power under **[**F1909that section**]**, considers that it is necessary for the direction to take effect immediately (or on that date).

(3) If the **[**F1891FCA**]** proposes to give a direction under **[**F1910section 257 or 258A, or gives a direction under either section**]** with immediate effect, it must give separate written notice to the manager and the trustee of the scheme concerned.

(4) The notice must—
(a) give details of the direction;
(b) inform the person to whom it is given of when the direction takes effect;
(c) state the **[**F1891FCA's**]** reasons for giving the direction and for its determination as to when the direction takes effect;
(d) inform the person to whom it is given that he may make representations to the **[**F1891FCA**]** within such period as may be specified in it (whether or not he has referred the matter to the Tribunal); and
(e) inform him of his right to refer the matter to the Tribunal.

(5) If the direction imposes a requirement under section 257(2)(a), the notice must state that the requirement has effect until—
(a) a specified date; or
(b) a further direction.

(6) If the direction **[**F1911is given under section 257(2)(b) or section 258A(2) or (4)**]**, the scheme must be wound up—
(a) by a date specified in the notice; or
(b) if no date is specified, as soon as practicable.

(7) The **[**F1891FCA**]** may extend the period allowed under the notice for making representations.

(8) If, having considered any representations made by a person to whom the notice was given, the **[**F1891FCA**]** decides—
(a) to give the direction in the way proposed, or
(b) if it has been given, not to revoke the direction,
it must give separate written notice to the manager and the trustee of the scheme concerned.

(9) If, having considered any representations made by a person to whom the notice was given, the **[**F1891FCA**]** decides—
(a) not to give the direction in the way proposed,
(b) to give the direction in a way other than that proposed, or
(c) to revoke a direction which has effect,
it must give separate written notice to the manager and the trustee of the scheme concerned.

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(10) A notice given under subsection (8) must inform the person to whom it is given of his right to refer the matter to the Tribunal.

(11) A notice under subsection (9)(b) must comply with subsection (4).

(12) If a notice informs a person of his right to refer a matter to the Tribunal, it must give an indication of the procedure on such a reference.

(13) This section applies to the variation of a direction on the **[**F1891FCA's**]** own initiative as it applies to the giving of a direction.

(14) For the purposes of subsection (1)(c), whether a matter is open to review is to be determined in accordance with section 391(8).

Textual Amendments

F1891 Word in ss. 254-262 substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), Sch. 18 para. 9(1)**(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1905 Words in s. 259 heading inserted (1.7.2011) by The Undertakings for Collective Investment in Transferable Securities Regulations 2011 (S.I. 2011/1613), **reg. 2(22)(a)**

F1906 Word in s. 259 heading substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), Sch. 18 para. 9(1)**(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1907 Words in s. 259(1) inserted (1.7.2011) by The Undertakings for Collective Investment in Transferable Securities Regulations 2011 (S.I. 2011/1613), **reg. 2(22)(b)**

F1908 Words in s. 259(2) inserted (6.6.2013) by The Collective Investment in Transferable Securities (Contractual Scheme) Regulations 2013 (S.I. 2013/1388), regs. 1, **3(10)(a)(i)** (with reg. 24)

F1909 Words in s. 259(2) substituted (6.6.2013) by The Collective Investment in Transferable Securities (Contractual Scheme) Regulations 2013 (S.I. 2013/1388), regs. 1, **3(10)(a)(ii)** (with reg. 24)

F1910 Words in s. 259(3) substituted (6.6.2013) by The Collective Investment in Transferable Securities (Contractual Scheme) Regulations 2013 (S.I. 2013/1388), regs. 1, **3(10)(b)** (with reg. 24)

F1911 Words in s. 259(6) substituted (1.7.2011) by The Undertakings for Collective Investment in Transferable Securities Regulations 2011 (S.I. 2011/1613), **reg. 2(22)(c)**

Commencement Information

I46 S. 259 wholly in force at 1.12.2001; s. 259 not in force at Royal Assent see s. 431(2); s. 259 in force for specified purposes at 3.9.2001 by S.I. 2001/2632, art. 2(2), **Sch. Pt. 2**; s. 259 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**

260 Procedure: refusal to revoke or vary direction.

(1) If on an application under section 257(6) for a direction to be revoked or varied the **[**F1891FCA**]** proposes—

(a) to vary the direction otherwise than in accordance with the application, or

(b) to refuse to revoke or vary the direction,

it must give the applicant a warning notice.

(2) If the **[**F1891FCA**]** decides to refuse to revoke or vary the direction—

(a) it must give the applicant a decision notice; and

(b) the applicant may refer the matter to the Tribunal.

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Textual Amendments

F1891 Word in ss. 254-262 substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), Sch. 18 para. 9(1)**(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

Commencement Information

I47 S. 260 wholly in force at 1.12.2001; s. 260 not in force at Royal Assent see s. 431(2); s. 260 in force for specified purposes at 3.9.2001 by S.I. 2001/2632, art. 2(2), **Sch. Pt. 2**; s. 260 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**

261 Procedure: revocation of direction and grant of request for variation.

(1) If the **[**F1891FCA**]** decides on its own initiative to revoke a direction under section 257 it must give separate written notices of its decision to the manager and trustee of the scheme.

(2) If on an application under section 257(6) for a direction to be revoked or varied the **[**F1891FCA**]** decides to revoke the direction or vary it in accordance with the application, it must give the applicant written notice of its decision.

(3) A notice under this section must specify the date on which the decision takes effect.

(4) The **[**F1891FCA**]** may publish such information about the revocation or variation, in such way, as it considers appropriate.

Textual Amendments

F1891 Word in ss. 254-262 substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), Sch. 18 para. 9(1)**(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

Commencement Information

I48 S. 261 wholly in force at 1.12.2001; s. 261 not in force at Royal Assent see s. 431(2); s. 261 in force for specified purposes at 3.9.2001 by S.I. 2001/2632, **art. 2 Sch. Pt. 2**; s. 261 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**

F1912 261A Information for home state regulator

. . . . . .

Textual Amendments

F1912 S. 261A omitted (31.12.2020) by virtue of The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), **14** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

[F1913 261B Information for feeder UCITS

(1) The **[**F1891FCA**]** must immediately inform the operator of any authorised unit trust scheme which is a feeder UCITS of an authorised unit trust scheme **[**F1914, an authorised

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contractual scheme**]** or an authorised open-ended investment company (the master UCITS) of—

(a) any failure of which the **[**F1891FCA**]** becomes aware by the master UCITS to comply with a provision made **[**F1915by or under any enactment**]** in implementation of Chapter VIII of the UCITS directive;

(b) any warning notice or decision notice given to the master UCITS in relation to a contravention of any provision made in implementation of Chapter VIII of the UCITS directive by or under any enactment or in rules of the **[**F1891FCA**]**;

(c) any information reported to the **[**F1891FCA**]** pursuant to rules of the **[**F1891FCA**]** made to implement Article 106(1) of the UCITS directive which relates to the master UCITS, or to one or more of its directors, or its management company, trustee, depositary or auditor.**]**

F1916(2) . . . . . .

F1916(3) . . . . . .

Textual Amendments

F1891 Word in ss. 254-262 substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), Sch. 18 para. 9(1)**(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1913 Ss. 261A, 261B inserted (1.7.2011) by The Undertakings for Collective Investment in Transferable Securities Regulations 2011 (S.I. 2011/1613), **reg. 2(23)**

F1914 Words in s. 261B(1) inserted (6.6.2013) by The Collective Investment in Transferable Securities (Contractual Scheme) Regulations 2013 (S.I. 2013/1388), regs. 1, **3(11)** (with reg. 24)

F1915 Words in s. 261B(1)(a) inserted (31.12.2020) by The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), **15(2)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F1916 S. 261B(2)(3) omitted (31.12.2020) by virtue of The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), **15(3)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

[F1917**CHAPTER 3A**

AUTHORISED CONTRACTUAL SCHEMES

Textual Amendments

F1917 Pt. 17 Ch. 3A inserted (6.6.2013) by The Collective Investment in Transferable Securities (Contractual Scheme) Regulations 2013 (S.I. 2013/1388), regs. 1, **3(12)** (with reg. 24)

Applications for authorisation

261C. Applications for authorisation of contractual schemes

[F1918(1) The operator and depositary, or proposed operator and depositary, of a contractual scheme may apply to the FCA for—

(a) an order declaring the scheme to be an authorised contractual scheme;

(b) an order declaring the scheme to be an authorised money market fund.**]**

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(2) **[**F1919An application under subsection (1)(a)**]**—

(a) must be made in such manner as the FCA may direct;

(b) must state the name and the registered office, or if it does not have a registered office, the head office, of the operator or proposed operator and of the depositary or proposed depositary; and

(c) in the case of a partnership scheme, must be accompanied by a copy of the certificate of registration as a limited partnership under the Limited Partnerships Act 1907.

[An application under subsection (1)(b) must—

F1920(2A) (a) be made in such a manner as the FCA may direct, and

(b) contain or be accompanied by such information as the FCA may reasonably require for the purpose of determining the application.**]**

(3) At any time after receiving an application and before determining it, the FCA may require the applicants to provide it with such further information as it reasonably considers necessary to enable it to determine the application.

(4) Different directions may be given, and different requirements imposed, in relation to different applications.

(5) The FCA may require applicants to present information which they are required to give under this section in such form, or to verify it in such a way, as the FCA may direct.

Textual Amendments

F1918 S. 261C(1) substituted (28.6.2018 for specified purposes, 21.7.2018 in so far as not already in force) by The Money Market Funds Regulations 2018 (S.I. 2018/698), regs. 1(2), **2(10)(a)**

F1919 Words in s. 261C(2) substituted (28.6.2018 for specified purposes, 21.7.2018 in so far as not already in force) by The Money Market Funds Regulations 2018 (S.I. 2018/698), regs. 1(2), **2(10)(b)**

F1920 S. 261C(2A) inserted (28.6.2018 for specified purposes, 21.7.2018 in so far as not already in force) by The Money Market Funds Regulations 2018 (S.I. 2018/698), regs. 1(2), **2(10)(c)**

261D. Authorisation orders [F1921: authorised contractual schemes]

(1) If, on an application under section **[**F1922261C(1)(a)**]** in respect of a contractual scheme, the FCA—

(a) is satisfied that the scheme complies with the requirements set out in this section and section 261E,

(b) is satisfied that the scheme complies with the requirements of contractual scheme rules, and

(c) has been provided with a copy of the contractual scheme deed and a certificate signed by a solicitor to the effect that it complies with such of the requirements of this section or those rules as relate to its contents,

the FCA may make an order declaring the scheme to be an authorised contractual scheme.

(2) If the FCA makes an order under subsection (1), it must give written notice of the order to the applicants.

F1923(3) . . . . . .

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(4) The operator and the depositary must be persons who are independent of each other.

(5) The operator and the depositary must each be a body corporate incorporated in the United Kingdom [F1924]..., and the affairs of each must be administered in the **[**[F1925]United Kingdom**]**.

[[F1926](6) The operator and the depositary must each have a place of business in the United Kingdom.**]**

[F1927](7) . . . . . .

(8) The operator and the depositary must each be an authorised person, and the operator must have **[**[F1928]such permission as may be necessary to act as operator**]** and the depositary must have permission to act as depositary.

(9) The operator must be a fit and proper person to manage the scheme to which the application relates.

(10) The name of the scheme must not be undesirable or misleading.

(11) The purposes of the scheme must be reasonably capable of being successfully carried into effect.

Textual Amendments

F1921 Words in s. 261D heading inserted (28.6.2018 for specified purposes, 21.7.2018 in so far as not already in force) by The Money Market Funds Regulations 2018 (S.I. 2018/698), regs. 1(2), **2(11)(a)**

F1922 Word in s. 261D(1) substituted (28.6.2018 for specified purposes, 21.7.2018 in so far as not already in force) by The Money Market Funds Regulations 2018 (S.I. 2018/698), regs. 1(2), **2(11)(b)**

F1923 S. 261D(3) omitted (28.6.2018 for specified purposes, 21.7.2018 in so far as not already in force) by virtue of The Money Market Funds Regulations 2018 (S.I. 2018/698), regs. 1(2), **2(11)(c)**

F1924 Words in s. 261D(5) omitted (31.12.2020) by virtue of The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), **16(2)(a)** (with reg. 73) (as amended by S.I. 2020/1301, regs. 1, 3, Sch. para. 18(g) and with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F1925 Words in s. 261D(5) substituted (31.12.2020) by The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), **16(2)(b)** (with reg. 73) (as amended by S.I. 2020/1301, regs. 1, 3, Sch. para. 18(g) and with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F1926 S. 261D(6) substituted (31.12.2020) by The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), **16(3)** (with reg. 73) (as amended by S.I. 2020/1301, regs. 1, 3, Sch. para. 18(g) and with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F1927 S. 261D(7) omitted (31.12.2020) by virtue of The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), **16(4)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F1928 Words in s. 261D(8) substituted (22.7.2013) by The Alternative Investment Fund Managers Regulations 2013 (S.I. 2013/1773), reg. 1, **Sch. 1 para. 17**

Modifications etc. (not altering text)

C1024 S. 261D(5) excluded (31.12.2020) by Regulation (EU) No. 760/2015, Art. 29(1A) (as substituted by The Long-term Investment Funds (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/336), regs. 1(3), **34(2)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1))

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261E. [F1929Authorised contractual schemes]: holding of units

[This section sets out requirements for the purposes of section 261D(1)(a) F1930(A1) (authorisation orders).**]**

(1) The participants in **[**F1931the**]** scheme must be entitled to have their units redeemed in accordance with the scheme at a price—

(a) related to the net value of the property to which the units relate; and

(b) determined in accordance with the scheme.

(2) The scheme must not allow units in the scheme to be issued to anyone other than—

(a) a professional investor;

(b) a large investor; or

(c) a person who already holds units in the scheme.

(3) The scheme must require the operator, if it becomes aware that units have become vested in a person to whom as a result of subsection (2) the units could not have been issued, to redeem the units as soon as practicable.

(4) In subsection (2)—

"professional investor" means a person who falls within one of the categories **[**F1932(a) to (d) of paragraph 3 of Schedule 1 to the markets in financial instruments regulation**]**; and

"large investor" means a person who, in exchange for units in the scheme, makes a payment of, or contributes property with a value of, not less than £1,000,000.

Textual Amendments

F1929 Words in s. 261E heading substituted (28.6.2018 for specified purposes, 21.7.2018 in so far as not already in force) by The Money Market Funds Regulations 2018 (S.I. 2018/698), regs. 1(2), **2(12)**

F1930 S. 261E(A1) inserted (29.10.2024) by Financial Services and Markets Act 2023 (c. 29), **ss. 64(2)(a)**, 86(3); S.I. 2024/1071, reg. 2(c)

F1931 Word in s. 261E(1) substituted (29.10.2024) by Financial Services and Markets Act 2023 (c. 29), **ss. 64(2)(b)**, 86(3); S.I. 2024/1071, reg. 2(c)

F1932 Words in s. 261E(4) substituted (31.12.2020) by The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), **17** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

[F1933**261EA** Authorisation orders: authorised money market funds

(1) If, on an application under section 261C(1)(b) in respect of a contractual scheme, conditions A and B are met the FCA may make an order declaring the scheme to be an authorised money market fund.

(2) Condition A is that the FCA is satisfied that the scheme will be able to comply with the requirements imposed on a money market fund under the MMF Regulation.

(3) Condition B is that—

(a) the scheme is an authorised contractual scheme, or

(b) the scheme—

(i) is the subject of an application under section 261C(1)(a), and

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(ii) the conditions in section 261D(1)(a) to (c) are met in relation to that application.

(4) If the FCA makes an order under subsection (1), it must give written notice of the order to the applicant.

(5) In this Chapter "authorisation order" means—

(a) an order under section 261D(1), or

(b) an order under subsection (1) of this section.**]**

Textual Amendments

F1933 S. 261EA inserted (28.6.2018 for specified purposes, 21.7.2018 in so far as not already in force) by The Money Market Funds Regulations 2018 (S.I. 2018/698), regs. 1(2), **2(13)**

261F. Determination of applications

(1) Subject to subsection (2), an application under section **[**[F1934]261C(1)(a)**]** must be determined by the FCA before the end of the period of six months beginning with the date on which it receives the completed application.

(2) An application under section **[**[F1935]261C(1)(a) in respect of a contractual scheme which is a UCITS, or an application under section 261C(1)(b),**]** must be determined by the FCA before the end of two months beginning with the date on which it receives the application.

(3) The FCA may determine an incomplete application if it considers it appropriate to do so; and it must in any event determine such an application within twelve months beginning with the date on which it first receives the application.

(4) The applicants may withdraw the application, by giving the FCA written notice, at any time before the FCA determines it.

Textual Amendments

F1934 Word in s. 261F(1) substituted (28.6.2018 for specified purposes, 21.7.2018 in so far as not already in force) by The Money Market Funds Regulations 2018 (S.I. 2018/698), regs. 1(2), **2(14)(a)**

F1935 Words in s. 261F(2) substituted (28.6.2018 for specified purposes, 21.7.2018 in so far as not already in force) by The Money Market Funds Regulations 2018 (S.I. 2018/698), regs. 1(2), **2(14)(b)**

Applications refused

261G. Procedure when refusing an application

(1) If the FCA proposes to refuse an application made under section 261C, it must give each of the applicants a warning notice.

(2) If the FCA decides to refuse the application—

(a) it must give each of the applicants a decision notice; and

(b) either applicant may refer the matter to the Tribunal.

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Certificates

261H. Certificates

(1) If the operator of a contractual scheme which complies with the conditions necessary for it to **[**F1936be a UK UCITS**]** so requests, the FCA may issue a certificate to the effect that the scheme complies with those conditions.

(2) Such a certificate may be issued on the making of an authorisation order in respect of the scheme or at any subsequent time.

Textual Amendments

F1936 Words in s. 261H(1) substituted (31.12.2020) by The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), **18** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

Rules

261I. Contractual scheme rules

(1) The FCA may by rules ("contractual scheme rules") make in relation to authorised contractual schemes provision corresponding to that which may be made under section 247 in relation to authorised unit trust schemes.

(2) For the purposes of subsection (1), section 247 is to be read with the following modifications—

(a) a reference to trust scheme rules is to be read as a reference to contractual scheme rules;

(b) a reference to authorised unit trust schemes is to be read as a reference to authorised contractual schemes;

(c) a reference to the manager is to be read as a reference to the operator;

(d) a reference to the trustee is to be read as a reference to the depositary; and

(e) a reference to the trust deed is to be read as a reference to the contractual scheme deed.

(3) The Treasury's power by order under section 247(5) to modify the FCA's power to make trust scheme rules shall also be exercisable in relation to the FCA's power to make contractual scheme rules.

(4) For the purposes of subsection (3), section 247(5) is to be read as if the reference to authorised unit trust schemes were a reference to authorised contractual schemes.

261J. Contractual scheme particulars rules

(1) The FCA may by rules ("contractual scheme particulars rules") make in relation to authorised contractual schemes provision corresponding to that which may be made under section 248 in relation to authorised unit trust schemes.

(2) For the purposes of subsection (1), section 248 is to be read with the following modifications—

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(a) a reference to scheme particulars rules is to be read as a reference to contractual scheme particulars rules;

(b) a reference to scheme particulars is to be read as a reference to contractual scheme particulars; and

(c) a reference to the manager of an authorised unit trust scheme is to be read as a reference to the operator of an authorised contractual scheme.

261K. Disciplinary measures

(1) If it appears to the FCA that an auditor has failed to comply with a duty imposed on the auditor by contractual scheme rules, it may do one or more of the following—

(a) disqualify the auditor from being the auditor of any authorised unit trust scheme, authorised contractual scheme or authorised open-ended investment company;

(b) publish a statement to the effect that it appears to the FCA that the auditor has failed to comply with the duty;

(c) impose on the auditor a penalty, payable to the FCA, of such amount as the FCA considers appropriate.

(2) Sections 345B to 345E have effect in relation to the taking of action under subsection (1) as they have effect in relation to the taking of action under section 345(2).

261L. Modification or waiver of rules

(1) In this section "rules" means—

(a) contractual scheme rules; or

(b) contractual scheme particulars rules.

(2) The FCA may, on the application or with the consent of any person to whom rules apply, direct that all or any of the rules—

(a) are not to apply to that person as respects a particular scheme; or

(b) are to apply to that person, as respects a particular scheme, with such modifications as may be specified in the direction.

(3) The FCA may, on the application or with the consent of the operator and depositary of a particular scheme acting jointly, direct that all or any of the rules—

(a) are not to apply to the scheme; or

(b) are to apply to the scheme with such modifications as may be specified in the direction.

(4) Section 138A and subsections (1) to (3), (5) and (6) of section 138B have effect in relation to a direction under subsection (2) as they have effect in relation to a direction under section 138A(1) but with the following modifications—

(a) any reference to the person is to be read as a reference to the person mentioned in subsection (2); and

(b) section 138B(3)(c) is to be read, in relation to a participant in the scheme, as if the word "commercial" were omitted.

(5) Section 138A and subsections (1) to (3), (5) and (6) of section 138B have effect in relation to a direction under subsection (3) as they have effect in relation to a direction under section 138A(1) but with the following modifications—

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(a) subsection (4)(a) of section 138A is to be read as if the words "by the person" were omitted;

(b) section 138B(3)(c) and the definition of "immediate group" in section 421ZA as it applies to that section are to be read as if references to the person were references to each of the operator and the depositary of the scheme;

(c) section 138B(3)(c) is to be read, in relation to a participant in the scheme, as if the word "commercial" were omitted;

(d) section 138B(5) is to be read as if the reference to the person concerned were a reference to the scheme concerned and to its operator and depositary; and

(e) section 138A(7) is to be read as if the reference to the person were a reference to the operator and depositary of the scheme acting jointly.

Co-ownership schemes: rights and liabilities of participants

261M. Contracts

(1) In this section "authorised contract" means a contract which the operator of a co-ownership scheme is authorised to enter into on behalf of the relevant participants for the purposes of, or in connection with, the acquisition, management or disposal of property subject to the scheme (but does not include a contract by which a person becomes a participant in the scheme).

(2) The relevant participants are—

(a) in the case of a contract relating to a stand-alone co-ownership scheme, the participants in the scheme;

(b) in the case of a contract relating to an umbrella co-ownership scheme, the participants in the sub-scheme of the umbrella co-ownership scheme to which the contract relates.

(3) The operator on behalf of the relevant participants may—

(a) exercise rights under an authorised contract;

(b) bring and defend proceedings for the resolution of any matter relating to an authorised contract; and

(c) take action in relation to the enforcement of any judgment given in such proceedings.

(4) The relevant participants may not themselves do any of the things mentioned in subsection (3), but this does not affect their rights as against the operator.

(5) A person who enters into a contract which purports to be an authorised contract is deemed to have actual knowledge of the scope of the authority given to the operator by the contractual scheme deed.

(6) The validity of an authorised contract is not to be called into question on the ground that a participant lacks capacity to authorise the operator to enter into such a contract.

(7) An authorised contract must make provision for any property which is acquired under or by virtue of the contract to be held by, or to the order of, the depositary of the scheme concerned.

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Modifications etc. (not altering text)
C1025 S. 261M applied (with modifications) (19.3.2025 immediately after S.I. 2025/200 comes into force) by The Unauthorised Co-ownership Alternative Investment Funds (Reserved Investor Fund) Regulations 2025 (S.I. 2025/216), regs. 1(2), **3**

261N. Effect of becoming or ceasing to be a participant

(1) A person who at any time becomes a participant in a relevant scheme acquires the rights and becomes subject to the liabilities to which the other participants in the relevant scheme are entitled or subject at that time under, or in connection with, authorised contracts.

(2) A person who ceases to be a participant in a relevant scheme ceases to have any of the rights and to be subject to any of the liabilities to which a participant in the relevant scheme is entitled or subject under, or in connection with, authorised contracts.

(3) In this section—

(a) "authorised contract" has the meaning given in section 261M(1); and

(b) each of the following is a "relevant scheme"—

(i) a stand-alone co-ownership scheme; and

(ii) a sub-scheme of an umbrella co-ownership scheme.

Modifications etc. (not altering text)
C1026 S. 261N applied (with modifications) (19.3.2025 immediately after S.I. 2025/200 comes into force) by The Unauthorised Co-ownership Alternative Investment Funds (Reserved Investor Fund) Regulations 2025 (S.I. 2025/216), regs. 1(2), **3**

261O. Limited liability

(1) The debts of a relevant scheme are to be paid by the operator out of the property subject to the relevant scheme.

(2) The participants in a relevant scheme are not liable for the debts of the relevant scheme beyond the amount of the property subject to the relevant scheme which is available to the operator to meet the debts.

(3) In this section—

(a) a reference to the debts of a relevant scheme is a reference to debts and obligations incurred under, or in connection with, authorised contracts;

(b) "authorised contract" has the meaning given in section 261M(1); and

(c) "relevant scheme" has the meaning given in section 261N(3).

Modifications etc. (not altering text)
C1027 S. 261O applied (with modifications) (19.3.2025 immediately after S.I. 2025/200 comes into force) by The Unauthorised Co-ownership Alternative Investment Funds (Reserved Investor Fund) Regulations 2025 (S.I. 2025/216), regs. 1(2), **3**

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261P. Segregated liability in relation to umbrella co-ownership schemes

(1) The property subject to a sub-scheme of an umbrella co-ownership scheme must not be used to discharge any liabilities of, or meet any claims against, any person other than the participants in that sub-scheme.

(2) Any provision contained in any contract, agreement or other document is void in so far as it is inconsistent with subsection (1), and any transaction involving the application of property in contravention of that subsection is void.

(3) The FCA may give a direction under section 261X(2) in relation to a sub-scheme of an umbrella co-ownership scheme as if the sub-scheme were an authorised contractual scheme, but this subsection does not enable the FCA to apply to the court for an order under section 261Y in relation to a sub-scheme of an umbrella co-ownership scheme.

(4) Where such a direction is given, the reference in section 261Z1(6) to the scheme is to be read as a reference to the sub-scheme concerned.

Modifications etc. (not altering text)
C1028 S. 261P(1)(2) applied (with modifications) (19.3.2025 immediately after S.I. 2025/200 comes into force) by The Unauthorised Co-ownership Alternative Investment Funds (Reserved Investor Fund) Regulations 2025 (S.I. 2025/216), regs. 1(2), **3**

Alterations

261Q. Alteration of contractual schemes and changes of operator or depositary

(1) This section applies where the operator of an authorised contractual scheme proposes to make an alteration to the scheme, other than an alteration—

(a) to which section 261S applies; or

(b) to which Part 4 of the Undertakings for Collective Investment in Transferable Securities Regulations 2011 (mergers) applies.

(2) The operator must give written notice of the proposal to the FCA.

(3) Any notice given in respect of a proposal to alter the scheme involving a change in the contractual scheme deed must be accompanied by a certificate signed by a solicitor to the effect that the change will not affect the compliance of the deed with the contractual scheme rules.

(4) The operator of an authorised contractual scheme must give written notice to the FCA of any proposal to replace the depositary of the scheme.

(5) The depositary of an authorised contractual scheme must give written notice to the FCA of any proposal to replace the operator of the scheme.

(6) Effect is not to be given to any proposal of which notice has been given under subsection (2), (4) or (5) unless—

(a) the FCA, by written notice, has given its approval to the proposal; or

(b) one month, beginning with the date on which the notice was given, has expired without the operator or the depositary having received from the FCA a warning notice under section 261R in respect of the proposal.

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(7) The FCA must not approve a proposal to replace the operator or the depositary of an authorised contractual scheme unless it is satisfied that, if the proposed replacement is made, the scheme will continue to comply with the requirements of section 261D(4) to (9).

261R. Procedure when refusing approval of a proposal under section 261Q

(1) If the FCA proposes to refuse approval of a proposal under section 261Q to replace the depositary or operator of an authorised contractual scheme, it must give a warning notice to the person by whom notice of the proposal was given under section 261Q(4) or (5).

(2) If the FCA proposes to refuse approval of a proposal under section 261Q to alter an authorised contractual scheme, it must give separate warning notices to the operator and the depositary of the scheme.

(3) To be valid the warning notice must be received by the person to whom it is given before the end of one month beginning with the date on which notice of the proposal was given.

(4) If, having given a warning notice to a person, the FCA decides to refuse approval—
- (a) it must give that person a decision notice; and
- (b) that person may refer the matter to the Tribunal.

261S. Proposal to convert to a non-feeder UCITS

(1) This section applies where the operator of an authorised contractual scheme which is a feeder UCITS proposes to make an alteration to the scheme which—
- (a) involves a change in the contractual scheme deed, and
- (b) will enable the scheme to convert into a **[**[F1937]UK**]**UCITS which is not a feeder UCITS.

(2) The operator must give written notice of the proposal to the FCA.

(3) Any notice given in respect of such a proposal must be accompanied by—
- (a) a certificate signed by a solicitor to the effect that the change will not affect the compliance of the deed with the contractual scheme rules; and
- (b) the specified information.

(4) The FCA must, within 15 working days after the date on which it received the notice under subsection (2), give—
- (a) written notice to the operator of the scheme that the FCA approves the proposed amendments to the contractual scheme deed, or
- (b) separate warning notices to the operator and depositary of the scheme that the FCA proposes to refuse approval of the proposed amendments.

(5) Effect is not to be given to any proposal of which notice has been given under subsection (2) unless the FCA, by written notice, has given its approval to the proposal.

(6) If, having given a warning notice to a person, the FCA decides to refuse approval—
- (a) it must give that person a decision notice; and
- (b) that person may refer the matter to the Tribunal.

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(7) Subsection (8) applies where—

(a) the notice given under subsection (2) relates to a proposal to amend the contractual scheme deed of a feeder UCITS to enable it to convert into a **[**F1938UK**]**UCITS which is not a feeder UCITS following the winding-up of its master UCITS; and

(b) the proceeds of the winding-up are to be paid to the feeder UCITS before the date on which the feeder UCITS proposes to start investing in accordance with the new investment objectives and policy provided for in its amended contractual scheme deed and contractual scheme rules.

(8) Where this subsection applies, the FCA may only approve the proposal subject to the conditions set out in section 283A(5) and (6).

(9) In this section "specified" means—

[F1939(a) specified in rule 11.6.3(2) of the Collective Investment Schemes sourcebook, or**]**

[F1939(b) specified in UCITS-related direct EU legislation.**]**

Textual Amendments

F1937 Word in s. 261S(1)(b) inserted (31.12.2020) by The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), **19(2)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F1938 Word in s. 261S(7)(a) inserted (31.12.2020) by The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), **19(3)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F1939 S. 261S(9)(a)(b) substituted (31.12.2020) by The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), **19(4)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

Exclusion clauses

261T. Avoidance of exclusion clauses

Any provision—

(a) of the contractual scheme deed of an authorised contractual scheme, or

(b) in the case of an authorised contractual scheme which is a partnership scheme, of the contract under which the depositary of the scheme is appointed,

is void in so far as it would have the effect of exempting the operator or the depositary from liability for any failure to exercise due care and diligence in the discharge of its functions in respect of the scheme.

Ending of authorisation

261U. Revocation of authorisation order otherwise than by consent

(1) An authorisation order may be revoked by an order made by the FCA if it appears to the FCA that—

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(a) one or more of the requirements for the making of the order are no longer satisfied;

(b) the operator or depositary of the scheme concerned has contravened a requirement imposed on the operator or depositary by or under this Act;

(c) the operator or depositary of the scheme has, in purported compliance with any such requirement, knowingly or recklessly given the FCA information which is false or misleading in a material particular;

(d) no regulated activity is being carried on in relation to the scheme and the period of that inactivity began at least twelve months earlier; or

(e) none of paragraphs (a) to (d) applies, but it is desirable to revoke the authorisation order in order to protect the interests of participants or potential participants in the scheme.

(2) For the purposes of subsection (1)(e), the FCA may take into account any matter relating to—

(a) the scheme;

(b) the operator or depositary;

(c) any person employed by or associated with the operator or depositary in connection with the scheme;

(d) any director of the operator or depositary;

(e) any person exercising influence over the operator or depositary;

(f) any body corporate in the same group as the operator or depositary;

(g) any director of any such body corporate;

(h) any person exercising influence over any such body corporate.

261V. Procedure for revoking authorisation order

(1) If the FCA proposes to make an order under section 261U revoking an authorisation order ("a revoking order"), it must give separate warning notices to the operator and the depositary of the scheme.

(2) If the FCA decides to make a revoking order, it must without delay give each of them a decision notice and either of them may refer the matter to the Tribunal.

261W. Requests for revocation of authorisation order

(1) An authorisation order may be revoked by an order made by the FCA at the request of the operator or depositary of the scheme concerned.

(2) If the FCA makes an order under subsection (1), it must give written notice of the order to the operator and depositary of the scheme concerned.

(3) The FCA may refuse a request to make an order under this section if it considers that—

(a) the public interest requires that any matter concerning the scheme should be investigated before a decision is taken as to whether the authorisation order should be revoked; or

(b) revocation would not be in the interests of the participants [F1940]....

(4) If the FCA proposes to refuse a request under this section, it must give separate warning notices to the operator and the depositary of the scheme.

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(5) If the FCA decides to refuse the request, it must without delay give each of them a decision notice and either of them may refer the matter to the Tribunal.

Textual Amendments

F1940 Words in s. 261W(3)(b) omitted (31.12.2020) by virtue of The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), **20** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

Powers of intervention

261X. Directions

(1) The FCA may give a direction under this section if it appears to the FCA that—

(a) one or more of the requirements for the making of an authorisation order are no longer satisfied;

(b) the operator or depositary of an authorised contractual scheme has contravened, or is likely to contravene, a requirement imposed—

(i) by or under this Act; **F1941**...

(ii) by **[**F1942UCITS-related direct EU legislation;**][**F1943or**]**

[by the MMF Regulation or any directly applicable regulation F1944(iii) or decision made under that Regulation **[**F1945which constitutes **[**F1946assimilated direct**]** legislation**]**;**]**

(c) the operator or depositary of such a scheme has, in purported compliance with any such requirement, knowingly or recklessly given the FCA information which is false or misleading in a material particular; or

(d) none of paragraphs (a) to (c) applies, but it is desirable to give a direction in order to protect the interests of participants or potential participants in such a scheme.

(2) A direction under this section may—

(a) require the operator of the scheme to cease the issue or redemption, or both the issue and redemption, of units under the scheme;

(b) require the operator and depositary of the scheme to wind it up.

(3) If the authorisation order is revoked, the revocation does not affect any direction under this section which is then in force.

(4) A direction may be given under this section in relation to a scheme in the case of which the authorisation order has been revoked.

(5) If a person contravenes a direction under this section, section 138D applies to the contravention as it applies to a contravention mentioned in that section.

(6) The FCA may revoke or vary a direction given under this section, either on its own initiative or on the application of a person to whom the direction was given, if it appears to the FCA—

(a) in the case of revocation, that it is no longer necessary for the direction to take effect or continue in force;

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(b) in the case of variation, that the direction should take effect or continue in force in a different form.

Textual Amendments

F1941 Word in s. 261X(1)(b)(i) omitted (28.6.2018 for specified purposes, 21.7.2018 in so far as not already in force) by virtue of The Money Market Funds Regulations 2018 (S.I. 2018/698), regs. 1(2), **2(15)(a)**

F1942 Words in s. 261X(1)(b)(ii) substituted (31.12.2020) by The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), **21(a)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F1943 Word in s. 261X(1)(b)(ii) inserted (28.6.2018 for specified purposes, 21.7.2018 in so far as not already in force) by The Money Market Funds Regulations 2018 (S.I. 2018/698), regs. 1(2), **2(15)(b)**

F1944 S. 261X(1)(b)(iii) inserted (28.6.2018 for specified purposes, 21.7.2018 in so far as not already in force) by The Money Market Funds Regulations 2018 (S.I. 2018/698), regs. 1(2), **2(15)(c)**

F1945 Words in s. 261X(1)(b)(iii) inserted (31.12.2020) by The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), **21(b)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F1946 Words in s. 261X(1)(b)(iii) substituted (1.1.2024) by The Retained EU Law (Revocation and Reform) Act 2023 (Consequential Amendment) Regulations 2023 (S.I. 2023/1424), reg. 1(2), **Sch. para. 44(4)(j)**

261Y. Applications to the court

(1) If the FCA could give a direction under section 261X, it may also apply to the court for an order—

(a) removing the operator or the depositary, or both the operator and the depositary, of the scheme; and

(b) replacing the person or persons removed with a suitable person or persons nominated by the FCA.

(2) The FCA may nominate a person for the purposes of subsection (1)(b) only if it is satisfied that, if the order was made, the requirements of section 261D(4) to (9) would be complied with.

(3) If it appears to the FCA that there is no person it can nominate for the purposes of subsection (1)(b), it may apply to the court for an order—

(a) removing the operator or the depositary, or both the operator and the depositary, of the scheme; and

(b) appointing an authorised person to wind up the scheme.

(4) On an application under this section the court may make such order as it thinks fit.

(5) The court may, on the application of the FCA, rescind any such order as is mentioned in subsection (3) and substitute such an order as is mentioned in subsection (1).

(6) The FCA must give written notice of the making of an application under this section to the operator and depositary of the scheme concerned.

(7) The jurisdiction conferred by this section may be exercised by—

(a) the High Court;

(b) in Scotland, the Court of Session.

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261Z. Winding up or merger of master UCITS

(1) Subsection (2) applies if a master UCITS which has one or more feeder UCITS which are authorised contractual schemes is wound up, whether as a result of a direction given by the FCA under section 257 or 261X, an order of the court under section 258 or 261Y, rules made by the FCA or otherwise.

(2) The FCA must direct the operator and depositary of any authorised contractual scheme which is a feeder UCITS of the master UCITS to wind up the feeder UCITS unless—

(a) the FCA approves under section 283A the investment by the feeder UCITS of at least 85% of the total property which is subject to the collective investment scheme constituted by the feeder UCITS in units of another UCITS or master UCITS; or

(b) the FCA approves under section 261S an amendment of the contractual scheme deed of the feeder UCITS which would enable it to convert into a **[**[F1947]UK**]**UCITS which is not a feeder UCITS.

(3) Subsection (4) applies if a master UCITS which has one or more feeder UCITS which are authorised contractual schemes—

(a) merges with another UCITS, or

(b) is divided into two or more UCITS.

(4) The FCA must direct the operator and depositary of any authorised contractual scheme which is a feeder UCITS of the master UCITS to wind up the scheme unless—

(a) the FCA approves under section 283A the investment by the scheme of at least 85% of the total property which is subject to the collective investment scheme constituted by the feeder UCITS in the units of—

(i) the master UCITS which results from the merger;

(ii) one of the UCITS resulting from the division; or

(iii) another UCITS or master UCITS;

(b) the FCA approves under section 261S an amendment of the contractual scheme deed of the scheme concerned which would enable it to convert into a **[**[F1948]UK**]**UCITS which is not a feeder UCITS.

Textual Amendments

F1947 Word in s. 261Z(2)(b) inserted (31.12.2020) by The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), **22(2)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F1948 Word in s. 261Z(4)(b) inserted (31.12.2020) by The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), **22(3)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

261Z1. Procedure on giving directions under section 261X or 261Z and varying them on FCA's own initiative

(1) A direction under section 261X or 261Z takes effect—

(a) immediately, if the notice given under subsection (3) states that that is the case;

(b) on such date as may be specified in the notice; or

(c) if no date is specified in the notice, when the matter to which it relates is no longer open to review.

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(2) A direction under section 261X may be expressed to take effect immediately (or on a specified date) only if the FCA, having regard to the ground on which it is exercising its power under that section, considers that it is necessary for the direction to take effect immediately (or on that date).

(3) If the FCA proposes to give a direction under section 261X or 261Z, or gives a direction under either section with immediate effect, it must give separate written notice to the operator and the depositary of the scheme concerned.

(4) The notice must—

(a) give details of the direction;

(b) inform the person to whom it is given of when the direction takes effect;

(c) state the FCA's reasons for giving the direction and for its determination as to when the direction takes effect;

(d) inform the person to whom it is given that representations may be made to the FCA within such period as may be specified in it (whether or not the matter has been referred to the Tribunal); and

(e) inform the person to whom it is given of the right to refer the matter to the Tribunal.

(5) If the direction imposes a requirement under section 261X(2)(a), the notice must state that the requirement has effect until—

(a) a specified date; or

(b) a further direction.

(6) If the direction is given under section 261X(2)(b) or section 261Z(2) or (4), the scheme must be wound up—

(a) by a date specified in the notice; or

(b) if no date is specified, as soon as practicable.

(7) The FCA may extend the period allowed under the notice for making representations.

(8) If, having considered any representations made by a person to whom the notice was given, the FCA decides—

(a) to give the direction in the way proposed, or

(b) if it has been given, not to revoke the direction,

it must give separate written notice to the operator and the depositary of the scheme concerned.

(9) If, having considered any representations made by a person to whom the notice was given, the FCA decides—

(a) not to give the direction in the way proposed,

(b) to give the direction in a way other than that proposed, or

(c) to revoke a direction which has effect,

it must give separate written notice to the operator and the depositary of the scheme concerned.

(10) A notice given under subsection (8) must inform the persons to whom it is given of the right to refer the matter to the Tribunal.

(11) A notice under subsection (9)(b) must comply with subsection (4).

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(12) If a notice informs a person of the right to refer a matter to the Tribunal, it must give an indication of the procedure on such a reference.

(13) This section applies to the variation of a direction on the FCA's own initiative as it applies to the giving of a direction.

(14) For the purposes of subsection (1)(c), whether a matter is open to review is to be determined in accordance with section 391(8).

261Z2. Procedure: refusal to revoke or vary direction

(1) If on an application under section 261X(6) for a direction to be revoked or varied the FCA proposes—

(a) to vary the direction otherwise than in accordance with the application, or

(b) to refuse to revoke or vary the direction,

it must give the applicant a warning notice.

(2) If the FCA decides to refuse to revoke or vary the direction—

(a) it must give the applicant a decision notice; and

(b) the applicant may refer the matter to the Tribunal.

261Z3. Procedure: revocation of direction and grant of request for variation

(1) If the FCA decides on its own initiative to revoke a direction under section 261X it must give separate written notice of its decision to the operator and the depositary of the scheme.

(2) If on an application under section 261X(6) for a direction to be revoked or varied the FCA decides to revoke the direction or vary it in accordance with the application, it must give the applicant written notice of its decision.

(3) A notice under this section must specify the date on which the decision takes effect.

(4) The FCA may publish such information about the revocation or variation, in such way, as it considers appropriate.

[F1949]261Z4 Information for home state regulator

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Textual Amendments

F1949 S. 261Z4 omitted (31.12.2020) by virtue of The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), **23** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

261Z5. Information for feeder UCITS

(1) The FCA must immediately inform the operator of any authorised contractual scheme which is a feeder UCITS of an authorised unit trust scheme, an authorised contractual scheme or an authorised open-ended investment company (the master UCITS) of—

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(a) any failure of which the FCA becomes aware by the master UCITS to comply with a provision made **[**F1950by or under any enactment**]** in implementation of Chapter VIII of the UCITS directive;

(b) any warning notice or decision notice given to the master UCITS in relation to a contravention of any provision made in implementation of Chapter VIII of the UCITS directive by or under any enactment or in rules of the FCA;

(c) any information reported to the FCA pursuant to rules of the FCA made to implement Article 106(1) of the UCITS directive which relates to the master UCITS, or to one or more of its directors, or its management company, trustee, depositary or auditor.

F1951(2) . . . . . .

F1951(3) . . . . . .**]**

Textual Amendments

F1950 Words in s. 261Z5(1)(a) inserted (31.12.2020) by The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), **24(2)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F1951 S. 261Z5(2)(3) omitted (31.12.2020) by virtue of The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), **24(3)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

[F1952**CHAPTER 3B**

UNAUTHORISED CO-OWNERSHIP AIFS

Textual Amendments

F1952 Pt. 17 Ch. 3B inserted (29.10.2024) by Financial Services and Markets Act 2023 (c. 29), **ss. 64(3)**, 86(3); S.I. 2024/1071, reg. 2(c)

261Z6 Power to make provision about unauthorised co-ownership AIFs

(1) The Treasury may by regulations make provision about unauthorised co-ownership AIFs that corresponds or is similar to, or applies with modifications, any of sections 261M to 261O and section 261P(1) and (2) (rights and liabilities of participants in authorised co-ownership schemes).

(2) Regulations under subsection (1) may make provision about unauthorised co-ownership AIFs generally, or about unauthorised co-ownership AIFs of a description specified in the regulations.

(3) In this section "unauthorised co-ownership AIF" means a co-ownership scheme that—

(a) is an AIF, and

(b) is not authorised for the purposes of this Act by an authorisation order in force under section 261D(1).**]**

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CHAPTER IV

OPEN-ENDED INVESTMENT COMPANIES

262 Open-ended investment companies.

(1) The Treasury may by regulations make provision for—

(a) facilitating the carrying on of collective investment by means of open-ended investment companies;

(b) regulating such companies.

(2) The regulations may, in particular, make provision—

(a) for the incorporation and registration in **[**F1953the United Kingdom**]** of bodies corporate;

(b) for a body incorporated by virtue of the regulations to take such form as may be determined in accordance with the regulations;

(c) as to the purposes for which such a body may exist, the investments which it may issue and otherwise as to its constitution;

(d) as to the management and operation of such a body and the management of its property;

(e) as to the powers, duties, rights and liabilities of such a body and of other persons, including—

(i) the directors or sole director of such a body;

(ii) its depositary (if any);

(iii) its shareholders, and persons who hold the beneficial title to shares in it without holding the legal title;

(iv) its auditor; and

(v) any persons who act or purport to act on its behalf;

(f) as to the merger of one or more such bodies and the division of such a body;

(g) for the appointment and removal of an auditor for such a body;

(h) as to the winding up and dissolution of such a body;

(i) for such a body, or any director or depositary of such a body, to be required to comply with directions given by the **[**F1891FCA**]**;

(j) enabling the **[**F1891FCA**]** to apply to a court for an order removing and replacing any director or depositary of such a body;

(k) for the carrying out of investigations by persons appointed by the **[**F1891FCA**]** or the Secretary of State;

(l) corresponding to any provision made in relation to unit trust schemes by Chapter III of this Part.

(3) Regulations under this section may—

(a) impose criminal liability;

(b) confer functions on the **[**F1891FCA**]**;

(c) in the case of provision made by virtue of subsection (2)(l), authorise the making of rules by the **[**F1891FCA**]**;

(d) confer jurisdiction on any court or on the Tribunal;

(e) provide for fees to be charged by the **[**F1891FCA in connection with the carrying out of any of its functions under the regulations (including fees payable on a periodical basis);

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(f) modify, exclude or apply (with or without modifications) any primary or subordinate legislation (including any provision of, or made under, this Act);

(g) make consequential amendments, repeals and revocations of any such legislation;

(h) modify or exclude any rule of law.

(4) The provision that may be made by virtue of subsection (3)(f) includes provision extending or adapting any power to make subordinate legislation.

(5) Regulations under this section may, in particular—

(a) revoke the [M19]Open-Ended Investment Companies (Investment Companies with Variable Capital) Regulations 1996; and

(b) provide for things done under or in accordance with those regulations to be treated as if they had been done under or in accordance with regulations under this section.**]**

Textual Amendments

F1891 Word in ss. 254-262 substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), Sch. 18 para. 9(1)**(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1953 Words in s. 262(2)(a) substituted (12.5.2011) by The Companies Act 2006 (Consequential Amendments and Transitional Provisions) Order 2011 (S.I. 2011/1265), **art. 12(3)**

Marginal Citations

M19 S.I. 1996/2827.

263 Amendment of section 716 Companies Act 1985.

In section 716(1) of the [M20]Companies Act 1985 (prohibition on formation of companies with more than 20 members unless registered under the Act etc.), after "this Act," insert " is incorporated by virtue of regulations made under section 262 of the Financial Services and Markets Act 2000 ".

Marginal Citations

M20 1985 c. 6.

CHAPTER V

RECOGNISED OVERSEAS SCHEMES

Schemes constituted in other EEA States

[F1954]264 Schemes constituted in other EEA States.

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Textual Amendments

F1954 Ss. 264-269 omitted (31.12.2020) by virtue of The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), **25** (with regs. 69, 70) (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

265 Representations and references to the Tribunal.

F1955 . . . . . .

Textual Amendments

F1955 S. 265 omitted (1.7.2011) by virtue of The Undertakings for Collective Investment in Transferable Securities Regulations 2011 (S.I. 2011/1613), **reg. 2(25)**

F1954 266 Disapplication of rules.

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Textual Amendments

F1954 Ss. 264-269 omitted (31.12.2020) by virtue of The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), **25** (with regs. 69, 70) (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F1954 267 Power of [F1956 FCA] to suspend promotion of scheme.

. . . . . .

Textual Amendments

F1954 Ss. 264-269 omitted (31.12.2020) by virtue of The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), **25** (with regs. 69, 70) (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F1956 Word in s. 267 heading substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 18 para. 13(b)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1954 268 Procedure on giving directions under section 267 and varying them on [F1957 FCA's] own initiative.

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Textual Amendments

F1954 Ss. 264-269 omitted (31.12.2020) by virtue of The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), **25** (with regs. 69, 70) (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

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F1957 Word in s. 268 heading substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 18 para. 14(i)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1954 269 Procedure on application for variation or revocation of direction.

. . . . . .

Textual Amendments

F1954 Ss. 264-269 omitted (31.12.2020) by virtue of The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), **25** (with regs. 69, 70) (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F1958 ...

Textual Amendments

F1958 Ss. 270, 271 and crossheading omitted (22.7.2013) by virtue of The Alternative Investment Fund Managers Regulations 2013 (S.I. 2013/1773), reg. 1, **Sch. 1 para. 18**

F1958 270 Schemes authorised in designated countries or territories.

. . . . . .

F1958 271 Procedure.

. . . . . .

I[F1959] *Schemes authorised in approved countries*

Textual Amendments

F1959 Ss. 271A-271S and cross-heading inserted (23.2.2022) by Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 9 para. 1**; S.I. 2022/163, reg. 2(a)

271A Schemes authorised in approved countries

(1) A collective investment scheme which is authorised under the law of a country or territory outside the United Kingdom is a recognised scheme if—

(a) regulations made by the Treasury approving the country or territory for the purposes of this section are in force,

(b) the scheme is of a description specified in the regulations in relation to which the country or territory is approved,

(c) the operator of the scheme has applied to the FCA for recognition of the scheme,

(d) the FCA has made (and has not revoked) an order granting the application, and

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(e) no direction under section 271L (suspension of recognition) has effect in relation to the scheme.

(2) In making regulations under this section, the Treasury may have regard to any matter that they consider relevant (and see the restrictions in sections 271B and 271C).

271B Approval of country: equivalent protection afforded to participants

(1) The Treasury may not make regulations under section 271A approving a country or territory and specifying a description of collective investment scheme unless satisfied that the equivalent protection test is met.

(2) The equivalent protection test is met if the protection afforded to participants or potential participants in the schemes by the law and practice of the country or territory is at least equivalent to that afforded to participants or potential participants in comparable authorised schemes by the law and practice of the United Kingdom under which such schemes are authorised and supervised.

(3) In this section—

"comparable authorised schemes" means whichever of the following the Treasury consider to be the most appropriate—

(a) authorised unit trust schemes;

(b) authorised contractual schemes which are co-ownership schemes;

(c) authorised contractual schemes which are partnership schemes;

(d) authorised open-ended investment companies;

(e) any two or more of the kinds of collective investment scheme mentioned in paragraphs (a) to (d);

"participants" means participants in the United Kingdom.

271C Approval of country: regulatory co-operation

(1) The Treasury may not make regulations under section 271A approving a country or territory and specifying a description of collective investment scheme unless satisfied that adequate arrangements exist, or will exist, for co-operation between the FCA and the overseas regulator.

(2) In this section, "the overseas regulator" means the authority responsible for the authorisation and supervision of schemes of that description in the country or territory.

271D Report by the FCA in relation to approval

(1) When considering whether to make, vary or revoke regulations under section 271A approving a country or territory and specifying a description of collective investment scheme, the Treasury may ask the FCA to prepare a report on—

(a) the law and practice of the country or territory under which such schemes are authorised and supervised, or particular aspects of such law and practice, and

(b) any existing or proposed arrangements for co-operation between the FCA and the overseas regulator.

(2) A request for a report under subsection (1) must be made in writing.

(3) If the Treasury ask for a report under subsection (1), the FCA must provide the Treasury with the report.

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(4) In this section, "the overseas regulator" has the same meaning as in section 271C.

271E Power to impose requirements on schemes

(1) The Treasury may by regulations—

(a) provide that a section 271A scheme of a description specified in the regulations must comply with requirements specified in the regulations, and

(b) impose requirements on the operator of such a scheme.

(2) In making regulations under this section in relation to a description of section 271A scheme, the Treasury must have regard to any requirements imposed in relation to comparable authorised schemes by or under this Act.

(3) Regulations under this section may describe requirements by reference to—

(a) rules made or to be made by the FCA, or

(b) other enactments.

(4) The power under subsection (3) includes power to make provision by reference to rules or other enactments as amended from time to time.

(5) The FCA may make, amend or revoke a rule if it considers it necessary or appropriate to do so for the purposes of a requirement imposed (or varied or withdrawn) by regulations under this section which is described by reference to a rule made or to be made by the FCA.

(6) If, for the purposes of a requirement imposed (or varied or withdrawn) by regulations under this section which is described by reference to a rule made or to be made by the FCA, the Treasury consider that it is necessary or appropriate for the FCA to make, amend or revoke a rule, they may direct the FCA to do so.

(7) If the Treasury give a direction under subsection (6), the FCA must comply with the direction within such time as the Treasury may specify in the direction.

(8) The references in paragraphs (5) and (6) to the amendment or revocation of rules are to the amendment or revocation of rules made by the FCA.

(9) Section 141A (power to make consequential amendments of references to rules) applies in relation to the FCA's power to make, amend or revoke rules under this section as it applies in relation to its power to make, amend or revoke rules under Part 9A.

(10) In this section—

"comparable authorised schemes" has the same meaning as in section 271B;

"enactment" includes—

(a) **[**[F1960]assimilated direct**]** legislation,

(b) an enactment comprised in subordinate legislation,

(c) an enactment comprised in, or in an instrument made under, a Measure or Act of Senedd Cymru,

(d) an enactment comprised in, or in an instrument made under, an Act of the Scottish Parliament, and

(e) an enactment comprised in, or in an instrument made under, Northern Ireland legislation;

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"subordinate legislation" has the same meaning as in the Interpretation Act 1978 (see section 21 of that Act).

Textual Amendments

F1960 Words in s. 271E(10) substituted (1.1.2024) by The Retained EU Law (Revocation and Reform) Act 2023 (Consequential Amendment) Regulations 2023 (S.I. 2023/1424), reg. 1(2), **Sch. para. 44(4)(k)**

271F Application for recognition to the FCA

(1) An application for recognition of a collective investment scheme under section 271A—

(a) must be made in such manner as the FCA may direct,

(b) must contain the address of a place in the United Kingdom for service of notices, or other documents, required or authorised to be served on the operator under this Act, and

(c) must contain or be accompanied by such information as the FCA may reasonably require for the purpose of determining the application.

(2) Where requirements imposed by regulations under section 271E would apply to the scheme or its operator if the application were granted, the application must contain an explanation of how each requirement would be satisfied.

(3) At any time after the application is received and before it is determined, the FCA may require the applicant to provide it with such further information as it reasonably considers necessary to enable it to determine the application.

(4) The FCA may require the applicant to present information provided under this section in such form, or to verify the information in such a way, as the FCA may direct.

(5) Different directions may be given, and different requirements imposed, in relation to different applications.

271G Determination of applications

(1) The FCA—

(a) may only make an order under section 271A granting an application under that section if it is satisfied that the conditions in subsection (2) are met, and

(b) if it is so satisfied, must make such an order unless it is permitted to refuse the application under subsection (3) or required to do so under subsection (4).

(2) Those conditions are—

(a) that the scheme is authorised in a country or territory which is approved by the Treasury in regulations under section 271A,

(b) that the scheme is of a description of scheme specified in the regulations,

(c) that adequate arrangements exist for co-operation between the FCA and the overseas regulator, and

(d) that, where requirements imposed by regulations under section 271E would apply to the scheme or its operator if the application were granted, each such requirement would be satisfied.

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(3) The FCA may refuse an application under section 271A if it appears to the FCA that the operator of the scheme—

(a) has contravened a requirement imposed on them by or under this Act, or would contravene such a requirement if the application were granted, or

(b) has, in purported compliance with such a requirement, knowingly or recklessly given the FCA information which is false or misleading in a material particular.

(4) The FCA must refuse an application under section 271A if it considers it desirable to do so in order to protect the interests of participants or potential participants in the scheme in the United Kingdom.

(5) Where the FCA receives an application under section 271A which is complete, it must give the applicant a notice under section 271H(1) or (2) before the end of the period of two months beginning with the day on which the FCA receives the application.

(6) An application under section 271A is complete if the FCA considers that the application satisfies section 271F(1) and (2).

(7) Where the FCA receives an application under section 271A which is not complete, it must—

(a) notify the operator of the scheme that it does not consider that the application satisfies section 271F(1) or (2) (as applicable), and

(b) identify the information needed to complete the application.

(8) In this section, "the overseas regulator" has the same meaning as in section 271C.

Modifications etc. (not altering text)
C1029S. 271G(5) excluded (23.2.2022) by S.I. 2019/325, **reg. 67A(3)** (as inserted by Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 9 para. 16**; S.I. 2022/163, **reg. 2(a)**)

271H Procedure when determining an application

(1) If the FCA decides to make an order under section 271A granting an application under that section, it must give written notice of its decision to the applicant.

(2) If the FCA proposes to refuse an application under section 271A, it must give the applicant a warning notice.

(3) If the FCA decides to refuse the application, it must give the applicant a decision notice.

(4) If the FCA gives the applicant a decision notice under subsection (3), the applicant may refer the matter to the Tribunal, except where the FCA refuses the application on the ground that it is not satisfied that a condition in section 271G(2)(a) or (c) is met.

271I Obligations on operator of a section 271A scheme

(1) The operator of a section 271A scheme must notify the FCA if the operator becomes aware that it has contravened, or expects to contravene, a requirement imposed on it by or under this Act.

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(2) The operator of a section 271A scheme must notify the FCA of any change to—

(a) the name or address of the operator of the scheme,

(b) the name or address of any trustee or depositary of the scheme,

(c) the name or address of any representative of the operator in the United Kingdom, and

(d) the address of the place in the United Kingdom for service of notices, or other documents, required or authorised to be served on the operator under this Act.

(3) A notification under subsection (1) or (2) must be made in writing as soon as reasonably practicable.

271J Provision of information to the FCA

(1) The operator of a section 271A scheme must provide to the FCA such information as the FCA may direct, at such times as the FCA may direct, for the purpose of determining whether—

(a) the conditions set out in section 271G(2)(a) to (c) are met, and

(b) any requirements relating to the scheme or its operator imposed by or under this Act are satisfied.

(2) The FCA may require the operator to present information provided under this section in such form, or to verify the information in such a way, as the FCA may direct.

(3) Different directions may be given in relation to different schemes or different descriptions of scheme.

271K Rules as to scheme particulars

(1) The FCA may make rules in relation to section 271A schemes for purposes corresponding to those for which rules may be made under section 248 in relation to authorised unit trust schemes.

(2) For the purposes of subsection (1), a reference in section 248 to the manager of an authorised unit trust scheme is to be read as a reference to the operator of a section 271A scheme.

(3) Rules made under this section do not affect any liability which a person may incur apart from the rules.

271L Suspension of recognition

(1) The FCA may direct that a section 271A scheme is not to be a recognised scheme—

(a) for a specified period,

(b) until the occurrence of a specified event, or

(c) until specified conditions are complied with.

(2) The FCA may give a direction under subsection (1) only if—

(a) the FCA is no longer satisfied that the conditions set out in section 271G(2)(a) to (c) are met,

(b) it appears to the FCA that a requirement relating to the scheme or its operator imposed by or under this Act has not been satisfied, or is likely not to be satisfied,

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(c) it appears to the FCA that the operator of the scheme has, in purported compliance with any such requirement, knowingly or recklessly given the FCA information which is false or misleading in a material particular, or

(d) although none of paragraphs (a) to (c) applies, the FCA considers it desirable to do so in order to protect the interests of participants or potential participants in the United Kingdom.

271M Procedure when suspending recognition

(1) A direction under section 271L takes effect—

(a) immediately, if the notice given under subsection (3) states that to be the case,

(b) on a day specified in the notice, or

(c) if no day is specified in the notice, when the matter to which it relates is no longer open to review.

(2) A direction under section 271L may be expressed to take effect immediately or on a specified day only if the FCA, having regard to its reason for giving the direction, reasonably considers that it is necessary for the direction to take effect immediately or on that day (as appropriate).

(3) If the FCA proposes to give a direction under section 271L, or gives such a direction with immediate effect, it must give written notice to—

(a) the operator of the scheme, and

(b) the trustee or depositary of the scheme (if any).

(4) The notice must—

(a) set out details of the direction,

(b) set out when the direction takes effect,

(c) state the FCA's reasons for giving the direction and for its determination as to when the direction takes effect,

(d) state that the recipient of the notice may make representations to the FCA within such period as may be specified in the notice (whether or not the matter has been referred to the Tribunal), and

(e) set out the recipient's right to refer the matter to the Tribunal.

(5) The FCA may extend the period allowed under the notice for making representations.

(6) The FCA must give written notice to the operator and (if any) the trustee or depositary of the scheme concerned if, having considered any representations made, the FCA decides—

(a) to give the direction in the way proposed, or

(b) if it has been given, not to revoke the direction.

(7) The FCA must give written notice to the operator and (if any) the trustee or depositary of the scheme concerned if, having considered any representations made, the FCA decides—

(a) not to give the direction in the way proposed,

(b) to give the direction in a way other than that proposed, or

(c) where the direction has been given, to revoke it.

(8) A notice under subsection (6) must set out the recipient's right to refer the matter to the Tribunal.

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(9) A notice under subsection (7)(b) must comply with subsection (4).

(10) Where a notice sets out the right of the recipient to refer a matter to the Tribunal, it must give an indication of the procedure on such a reference.

(11) This section applies to the variation of a direction as it applies to the giving of a direction.

(12) For the purposes of subsection (1)(c), whether a matter is open to review is to be determined in accordance with section 391(8).

271N Revocation of recognition on the FCA's initiative

(1) The FCA may revoke an order made under section 271A in relation to a collective investment scheme if—

(a) the FCA is no longer satisfied that the conditions set out in section 271G(2)(a) to (c) are met,

(b) it appears to the FCA that a requirement relating to the scheme or its operator imposed by or under this Act has not been satisfied,

(c) it appears to the FCA that the operator of the scheme has, in purported compliance with any such requirement, knowingly or recklessly given the FCA information which is false or misleading in a material particular, or

(d) although none of paragraphs (a) to (c) applies, the FCA considers it desirable to revoke the order to protect the interests of participants or potential participants in the United Kingdom.

(2) If the FCA proposes to revoke an order made under section 271A, it must give a warning notice to—

(a) the operator of the scheme, and

(b) the trustee or depositary of the scheme (if any).

(3) If the FCA decides to revoke the order—

(a) it must without delay give a decision notice to the operator and (if any) the trustee or depositary of the scheme, and

(b) the operator, trustee or depository may refer the matter to the Tribunal.

271O Requests for revocation of recognition

(1) The FCA may revoke an order made under section 271A in relation to a collective investment scheme at the request of the scheme's operator.

(2) If the FCA decides to do so, it must give written notice to the operator and (if any) the trustee or depositary of the scheme.

(3) The FCA may refuse a request under this section if it considers that—

(a) the public interest requires that any matter concerning the scheme should be investigated before a decision is taken as to whether the order should be revoked, or

(b) revocation would not be in the interests of participants in the scheme.

(4) If the FCA proposes to refuse a request under this section, it must give a warning notice to the operator and (if any) the trustee or depositary of the scheme.

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(5) If the FCA decides to refuse the request—

(a) it must without delay give a decision notice to the operator and (if any) the trustee or depositary of the scheme, and

(b) the operator, trustee or depositary may refer the matter to the Tribunal.

271P Obligations on operator where recognition is revoked or suspended

(1) This section applies where—

(a) the FCA gives a decision notice under section 271N(3), or a written notice under section 271O(2), in relation to a section 271A scheme, or

(b) a direction given by the FCA under section 271L(1) in relation to a section 271A scheme takes effect.

(2) The operator of the scheme must notify such persons as the FCA may direct that the FCA has revoked an order under section 271A for recognition of the scheme or given a direction under section 271L in relation to the scheme (as applicable).

(3) A notification under subsection (2) that relates to a direction under section 271L must set out the terms of the direction.

(4) A notification under subsection (2) must—

(a) contain such information as the FCA may direct, and

(b) be made in such form and manner as the FCA may direct.

(5) Different directions may be given under subsection (2) or (4) in relation to—

(a) different schemes or different descriptions of scheme;

(b) different persons or descriptions of persons to whom a notification under subsection (2) must be given.

271Q Effect of variation or revocation of Treasury regulations

(1) This section applies, in relation to a section 271A scheme, where the Treasury vary or revoke regulations under section 271A and, as a result, the scheme ceases to be a recognised scheme because—

(a) the country or territory in which the scheme is authorised is no longer approved for the purposes of that section, or

(b) the scheme is no longer of a description of scheme specified in regulations under that section.

(2) Where this section applies, the order given by the FCA under section 271A in relation to the scheme is revoked.

(3) The Treasury may by regulations make provision, in relation to a scheme which has ceased to be recognised under section 271A by virtue of this section—

(a) requiring an application under section 272 by such a scheme to be made during a period specified in the regulations or in a direction given by the FCA, and

(b) modifying or disapplying section 275(1) and (2) (time limits for determining applications under section 272) for the purposes of an application under section 272 relating to such a scheme.

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271R Public censure

(1) This section applies where the FCA considers that—

(a) a requirement imposed by regulations under section 271E has been contravened,

(b) rules made under section 271K have been contravened,

(c) the operator of a section 271A scheme has contravened section 271I, 271J or 271P, or

(d) the operator of a section 271A scheme has contravened a rule made, or a requirement imposed, under section 283.

(2) The FCA may publish a statement to that effect.

(3) Where the FCA proposes to publish a statement under subsection (2) relating to a scheme or the operator of a scheme, it must give the operator a warning notice setting out the terms of the statement.

(4) If the FCA decides to publish the statement—

(a) it must give the operator, without delay, a decision notice setting out the terms of the statement, and

(b) the operator may refer the matter to the Tribunal.

(5) After a statement under subsection (2) is published, the FCA must send a copy of it to the operator and to any person to whom a copy of the decision notice was given under section 393(4).

271S Recognition of parts of schemes under section 271A

(1) Section 271A(1) applies in relation to a part of a collective investment scheme as it applies in relation to such a scheme.

(2) Accordingly, the following include a part of a scheme recognised under section 271A—

(a) the reference to a scheme recognised under section 271A in the definition of "section 271A scheme" in section 237(3), and

(b) other references to such a scheme (however expressed) in or in provision made under this Part of this Act (unless the contrary intention appears).

(3) Provisions of or made under this Part of this Act have effect in relation to parts of schemes recognised, or seeking recognition, under section 271A with appropriate modifications.

(4) The Treasury may by regulations—

(a) make provision about what are, or are not, appropriate modifications for the purposes of subsection (3);

(b) make provision so that a relevant enactment has effect in relation to parts of schemes recognised, or seeking recognition, under section 271A with such modifications as the Treasury consider appropriate;

(c) make provision so that a relevant enactment does not have effect in relation to such parts of schemes.

(5) Regulations under subsection (4)(b) or (c) may amend, repeal or revoke an enactment.

(6) In this section—

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"enactment" has the same meaning as in section 271E;

"relevant enactment" means an enactment passed or made before the day on which subsection (1) comes into force that makes provision in relation to collective investment schemes recognised, or seeking recognition, under section 271A.**]**

Individually recognised overseas schemes

272 Individually recognised overseas schemes.

(1) The **[**F1961FCA**]** may, on the application of the operator of a collective investment scheme which—

(a) is managed in a country or territory outside the United Kingdom, F1962...

F1963(b) . . . . . .

F1964(c) . . . . . .

[F1965(ca) does not have the benefit of section 271A, and**]**

(d) appears to the **[**F1961FCA**]** to satisfy the requirements set out in **[**F1966subsections (2) to (15)**]**,

make an order declaring the scheme to be a recognised scheme.

[F1967(1A) For the purposes of subsection (1)(ca), a collective investment scheme has the benefit of section 271A if—

(a) it is authorised under the law of a country or territory which is for the time being approved by regulations under section 271A, and

(b) it falls within a description of schemes specified in the regulations.**]**

(2) Adequate protection must be afforded to participants in the scheme.

(3) The arrangements for the scheme's constitution and management must be adequate.

(4) The powers and duties of the operator and, if the scheme has a trustee or depositary, of the trustee or depositary must be adequate.

(5) In deciding whether the matters mentioned in subsection (3) or (4) are adequate, the **[**F1961FCA**]** must have regard to—

(a) any rule of law, and

(b) any matters which areF1968... the subject of rules,

applicable in relation to comparable authorised schemes.

(6) "Comparable authorised schemes" means whichever of the following the **[**F1961FCA**]** considers the most appropriate, having regard to the nature of scheme in respect of which the application is made—

(a) authorised unit trust schemes;

[F1969(aa) authorised contractual schemes which are co-ownership schemes;

(ab) authorised contractual schemes which are partnership schemes;**]**

(b) authorised open-ended investment companies;

[F1970(c) any two or more of the kinds of collective investment scheme mentioned in paragraphs (a) to (b).**]**

(7) The scheme must take the form of an open-ended investment company or (if it does not take that form) the operator must be a body corporate.

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(8) The operator of the scheme must—

(a) if an authorised person, have permission to act as operator;

(b) if not an authorised person, be a fit and proper person to act as operator.

(9) The trustee or depositary (if any) of the scheme must—

(a) if an authorised person, have permission to act as trustee or depositary;

(b) if not an authorised person, be a fit and proper person to act as trustee or depositary.

(10) The operator and the trustee or depositary (if any) of the scheme must be able and willing to co-operate with the **[**F1961FCA**]** by the sharing of information and in other ways.

(11) The name of the scheme must not be undesirable or misleading.

(12) The purposes of the scheme must be reasonably capable of being successfully carried into effect.

(13) The participants must be entitled to have their units redeemed in accordance with the scheme at a price related to the net value of the property to which the units relate and determined in accordance with the scheme.

(14) But a scheme is to be treated as complying with subsection (13) if it requires the operator to ensure that a participant is able to sell his units on an investment exchange at a price not significantly different from that mentioned in that subsection.

(15) Subsection (13) is not to be read as imposing a requirement that the participants must be entitled to have their units redeemed (or sold as mentioned in subsection (14)) immediately following a demand to that effect.

Textual Amendments

F1961 Word in ss. 271-283B substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), Sch. 18 para. 9(1)**(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1962 Word in s. 272(1)(a) omitted (23.2.2022) by virtue of Financial Services Act 2021 (c. 22), **ss. 25(3)(a)(i)**, 49(5); S.I. 2022/163, reg. 2(b)

F1963 S. 272(1)(b) omitted (31.12.2020) by virtue of The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), **26(b)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F1964 S. 272(1)(c) omitted (22.7.2013) by virtue of The Alternative Investment Fund Managers Regulations 2013 (S.I. 2013/1773), reg. 1, **Sch. 1 para. 19(b)**

F1965 S. 272(1)(ca) inserted (23.2.2022) by Financial Services Act 2021 (c. 22), **ss. 25(3)(a)(ii)**, 49(5); S.I. 2022/163, reg. 2(b)

F1966 Words in s. 272(1)(d) substituted (23.2.2022) by Financial Services Act 2021 (c. 22), **ss. 25(3)(a)(iii)**, 49(5); S.I. 2022/163, reg. 2(b)

F1967 S. 272(1A) inserted (23.2.2022) by Financial Services Act 2021 (c. 22), **ss. 25(3)(b)**, 49(5); S.I. 2022/163, reg. 2(b)

F1968 Words in s. 272(5)(b) omitted (23.2.2022) by virtue of Financial Services Act 2021 (c. 22), **ss. 25(3)(c)**, 49(5); S.I. 2022/163, reg. 2(b)

F1969 S. 272(6)(aa)(ab) inserted (6.6.2013) by The Collective Investment in Transferable Securities (Contractual Scheme) Regulations 2013 (S.I. 2013/1388), regs. 1, **3(14)(a)** (with reg. 24)

F1970 S. 272(6)(c) substituted (6.6.2013) by The Collective Investment in Transferable Securities (Contractual Scheme) Regulations 2013 (S.I. 2013/1388), regs. 1, **3(14)(b)** (with reg. 24)

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Modifications etc. (not altering text)

C1030 S. 272(1) extended (1.12.2001) by S.I. 2001/2636, **arts. 1(2)(b)**, 68(1); S.I. 2001/3538, **art. 2(1)**

C1031 S. 272(8)(9) modified (31.10.2001) by S.I. 2001/3374, art. 1, **Sch. para. 9**

Commencement Information

I49 S. 272 wholly in force at 1.12.2001; s. 272 not in force at Royal Assent see s. 431(2); s. 272 in force for specified purposes at 3.9.2001 by S.I. 2001/2632, art. 2(2), **Sch. Pt. 2**; s. 272 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**

273 Matters that may be taken into account.

For the purposes of subsections (8)(b) and (9)(b) of section 272, the **[**F1961FCA**]** may take into account any matter relating to—

(a) any person who is or will be employed by or associated with the operator, trustee or depositary in connection with the scheme;

(b) any director of the operator, trustee or depositary;

(c) any person exercising influence over the operator, trustee or depositary;

(d) any body corporate in the same group as the operator, trustee or depositary;

(e) any director of any such body corporate;

(f) any person exercising influence over any such body corporate.

Textual Amendments

F1961 Word in ss. 271-283B substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), Sch. 18 para. 9(1)**(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

Commencement Information

I50 S. 273 wholly in force at 1.12.2001; s. 273 not in force at Royal Assent see s. 431(2); s. 273 in force for specified purposes at 3.9.2001 by S.I. 2001/2632, art. 2(2), **Sch. Pt. 2**; s. 273 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**

274 Applications for recognition of individual schemes.

(1) An application under section 272 for an order declaring a scheme to be a recognised scheme must be made to the **[**F1961FCA**]** by the operator of the scheme.

(2) The application—

(a) must be made in such manner as the **[**F1961FCA**]** may direct;

(b) must contain the address of a place in the United Kingdom for the service on the operator of notices or other documents required or authorised to be served on him under this Act;

(c) must contain or be accompanied by such information as the **[**F1961FCA**]** may reasonably require for the purpose of determining the application.

(3) At any time after receiving an application and before determining it, the **[**F1961FCA**]** may require the applicant to provide it with such further information as it reasonably considers necessary to enable it to determine the application.

(4) Different directions may be given, and different requirements imposed, in relation to different applications.

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(5) The **[**[F1961]FCA**]** may require an applicant to present information which he is required to give under this section in such form, or to verify it in such a way, as the **[**[F1961]FCA**]** may direct.

Textual Amendments

F1961 Word in ss. 271-283B substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), Sch. 18 para. 9(1)**(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

Modifications etc. (not altering text)

C1032 S. 274 extended (1.12.2001) by S.I. 2001/3592, **arts. 1(2)**, 44(1) (with art. 23(2))

C1033 S. 274 modified (20.2.2019) by The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(3), **68**

Commencement Information

I51 S. 274 wholly in force at 1.12.2001; s. 274 not in force at Royal Assent see s. 431(2); s. 274(2) in force for specified purposes at 18.6.2001 by S.I. 2001/1820, art. 2, **Sch.**; s. 274 in force for specified purposes at 3.9.2001 by S.I. 2001/2632, art. 2(2), **Sch. Pt. 2**; s. 274 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**

275 Determination of applications.

(1) An application under section 272 must be determined by the **[**[F1961]FCA**]** before the end of the period of six months beginning with the date on which it receives the completed application.

(2) The **[**[F1961]FCA**]** may determine an incomplete application if it considers it appropriate to do so; and it must in any event determine such an application within twelve months beginning with the date on which it first receives the application.

(3) If the **[**[F1961]FCA**]** makes an order under section 272(1), it must give written notice of the order to the applicant.

Textual Amendments

F1961 Word in ss. 271-283B substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), Sch. 18 para. 9(1)**(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

Modifications etc. (not altering text)

C1034 S. 275 modified (20.2.2019) by The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(3), **68**

C1035 S. 275(1)(2) modified (1.12.2001) by S.I. 2001/3592, **arts. 1(2)**, 44(2)(3) (with art. 23(2))

Commencement Information

I52 S. 275 wholly in force at 1.12.2001; s. 275 not in force at Royal Assent see s. 431(2); s. 275 in force for specified purposes at 3.9.2001 by S.I. 2001/2632, art. 2(2), **Sch. Pt. 2**; s. 275 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**

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276 Procedure when refusing an application.

(1) If the **[**F1961FCA**]** proposes to refuse an application made under section 272 it must give the applicant a warning notice.

(2) If the **[**F1961FCA**]** decides to refuse the application—

(a) it must give the applicant a decision notice; and

(b) the applicant may refer the matter to the Tribunal.

Textual Amendments

F1961 Word in ss. 271-283B substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), Sch. 18 para. 9(1)**(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

Commencement Information

I53 S. 276 wholly in force at 1.12.2001; s. 276 not in force at Royal Assent see s. 431(2); s. 276 in force for specified purposes at 3.9.2001 by S.I. 2001/2632, art. 2(2), **Sch. Pt. 2**; s. 276 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**

277 Alteration of schemes and changes of operator, trustee or depositary.

(1) The operator of a scheme recognised by virtue of section 272 must give written notice to the **[**F1961FCA**]** of any proposed alteration to the scheme **[**F1971which, if made, would be a material alteration**]**.

(2) Effect is not to be given to any such proposal unless—

(a) the **[**F1961FCA**]**, by written notice, has given its approval to the proposal; or

(b) one month, beginning with the date on which notice was given under subsection (1), has expired without the **[**F1961FCA**]** having given written notice to the operator that it has decided to refuse approval.

(3) F1972... Before any replacement of the operator, trustee or depositary of such a scheme, notice of the proposed replacement must be given to the **[**F1961FCA**]**—

(a) by the operator, trustee or depositary (as the case may be); or

(b) by the person who is to replace him.

[F1973(3A) A notice under subsection (3) must be given—

(a) at least one month before the proposed replacement, or

(b) if that is not reasonably practicable, as soon as is reasonably practicable in the period of one month before the proposed replacement.

(3B) The operator of such a scheme must give written notice to the FCA, as soon as reasonably practicable, of any change to—

(a) the name or address of the operator of the scheme,

(b) the name or address of any trustee or depositary of the scheme,

(c) the name or address of any representative of the operator in the United Kingdom, and

(d) the address of the place in the United Kingdom for service of notices, or other documents, required or authorised to be served on the operator under this Act.**]**

[F1974(4) If a change is made, or is to be made, to the law which applies to such a scheme in the country or territory in which it is managed and the change affects or will affect any of

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the matters mentioned at section 272(2) to (4), the operator of the scheme must give written notice of the change to the FCA—

(a) at least one month before the change takes effect; or

(b) if that is not reasonably practicable, as soon as it is reasonably practicable to do so.

(5) A notice under this section—

(a) must be given in such manner as the FCA may direct; and

(b) where the notice is given under subsection (1) or (3), must include such information as the FCA may direct for the purpose of determining whether the requirements for the making of an order under section 272 in respect of the scheme would continue to be satisfied following the alteration or replacement that is the subject of the notice.**]**

[F1975(6) The FCA may make rules specifying when a proposed alteration is a material alteration for the purposes of subsection (1).**]**

Textual Amendments

F1961 Word in ss. 271-283B substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), Sch. 18 para. 9(1)**(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1971 Words in s. 277(1) inserted (1.1.2023) by Financial Services Act 2021 (c. 22), **ss. 25(4)(a)**, 49(5); S.I. 2022/163, reg. 3

F1972 Words in s. 277(3) omitted (23.2.2022) by virtue of Financial Services Act 2021 (c. 22), **ss. 25(4)(b)**, 49(5); S.I. 2022/163, reg. 2(b)

F1973 S. 277(3A)(3B) inserted (23.2.2022) by Financial Services Act 2021 (c. 22), **ss. 25(4)(c)**, 49(5); S.I. 2022/163, reg. 2(b)

F1974 S. 277(4)(5) inserted (22.7.2013) by The Alternative Investment Fund Managers Regulations 2013 (S.I. 2013/1773), reg. 1, **Sch. 1 para. 20**

F1975 S. 277(6) inserted (23.2.2022) by Financial Services Act 2021 (c. 22), **ss. 25(4)(d)**, 49(5); S.I. 2022/163, reg. 2(b)

Modifications etc. (not altering text)

C1036 S. 277(1) amended (*temp.* from 3.9.2001 to 1.12.2001) by S.I. 2001/2659, **arts. 1(2)**, 3(9); S.I. 2001/3538, **art. 2(1)**
S. 277(1) extended (1.12.2001) by S.I. 2001/3592, **arts. 1(2)**, 45(1) (with art. 23(2))

C1037 S. 277(2)(b) modified (1.12.2001) by S.I. 2001/3592, **arts. 1(2)**, 45(2) (with art. 23(2))

C1038 S. 277(3) extended (1.12.2001) by S.I. 2001/3592, **arts. 1(2)**, 45(3) (with art. 23(2))

Commencement Information

I54 S. 277 wholly in force at 1.12.2001; s. 277 not in force at Royal Assent see s. 431(2); s. 277 in force for specified purposes at 3.9.2001 by S.I. 2001/2632, art. 2(2), **Sch. Pt. 2**; s. 277 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**

[F1976277A Regular provision of information relating to compliance with requirements for recognition

(1) The operator of a scheme recognised by virtue of section 272 must provide to the FCA such information as the FCA may direct, at such times as the FCA may direct, for the purpose of determining whether the requirements for the making of an order under section 272 in respect of the scheme continue to be satisfied.

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

(2) A direction under subsection (1) may not require information to be provided within the period of 12 months beginning with the date on which information was last required to be provided to the FCA in respect of the scheme pursuant to a requirement under section 274(2)(c) or a direction under subsection (1) or section 277(5)(b).

(3) The information must be provided in such manner as the FCA may direct.**]**

Textual Amendments

F1976 S. 277A inserted (22.7.2013) by The Alternative Investment Fund Managers Regulations 2013 (S.I. 2013/1773), reg. 1, **Sch. 1 para. 21**

F1977 ...

Textual Amendments

F1977 S. 278 crossheading omitted (22.7.2013) by virtue of The Alternative Investment Fund Managers Regulations 2013 (S.I. 2013/1773), reg. 1, **Sch. 1 para. 22**

278 Rules as to scheme particulars.

The **[**F1961FCA**]** may make rules imposing duties or liabilities on the operator of a scheme recognised under section F1978... 272 for purposes corresponding to those for which rules may be made under section 248 in relation to authorised unit trust schemes.

Textual Amendments

F1961 Word in ss. 271-283B substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), Sch. 18 para. 9(1)**(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1978 Words in s. 278 omitted (22.7.2013) by virtue of The Alternative Investment Fund Managers Regulations 2013 (S.I. 2013/1773), reg. 1, **Sch. 1 para. 23**

279 Revocation of recognition.

The **[**F1961FCA**]** may F1979... revoke an order under section 272 if it appears to the **[**F1961FCA**]**—

(a) that the operator, trustee or depositary of the scheme has contravened a requirement imposed on him by or under this Act;

(b) that the operator, trustee or depositary of the scheme has, in purported compliance with any such requirement, knowingly or recklessly given the **[**F1961FCA**]** information which is false or misleading in a material particular;

(c) F1980... that one or more of the requirements for the making of the order are no longer satisfied; or

(d) that none of paragraphs (a) to (c) applies, but it is undesirable in the interests of the participants or potential participants that the scheme should continue to be recognised.

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Textual Amendments

F1961 Word in ss. 271-283B substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), Sch. 18 para. 9(1)**(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1979 Words in s. 279 omitted (22.7.2013) by virtue of The Alternative Investment Fund Managers Regulations 2013 (S.I. 2013/1773), reg. 1, **Sch. 1 para. 24(a)**

F1980 Words in s. 279(c) omitted (22.7.2013) by virtue of The Alternative Investment Fund Managers Regulations 2013 (S.I. 2013/1773), reg. 1, **Sch. 1 para. 24(b)**

Modifications etc. (not altering text)

C1039 S. 279 applied (1.12.2001) by S.I. 2001/3592, **arts. 1(2)**, 47(4)(b) (with art. 23(2))
S. 279 applied (with modifications) (1.12.2001) by S.I. 2001/3592, **arts. 1(2)**, 48(4)(5) (with art. 23(2))

C1040 S. 279(c) modified (1.12.2001) by S.I. 2001/2636, **arts. 1(2)(b)**, 68(2); S.I. 2001/3538, **art. 2(1)**

280 Procedure.

(1) If the **[**F1961FCA**]** proposes to **[**F1981make an order under section 279**]** revoking a recognition order, it must give a warning notice to the operator and (if any) the trustee or depositary of the scheme.

(2) If the **[**F1961FCA**]** decides to F1982... make an order under that section—

(a) it must without delay give a decision notice to the operator and (if any) the trustee or depositary of the scheme; and

(b) the operator or the trustee or depositary may refer the matter to the Tribunal.

Textual Amendments

F1961 Word in ss. 271-283B substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), Sch. 18 para. 9(1)**(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1981 Words in s. 280(1) substituted (22.7.2013) by The Alternative Investment Fund Managers Regulations 2013 (S.I. 2013/1773), reg. 1, **Sch. 1 para. 25(a)**

F1982 Words in s. 280(2) omitted (22.7.2013) by virtue of The Alternative Investment Fund Managers Regulations 2013 (S.I. 2013/1773), reg. 1, **Sch. 1 para. 25(b)**

Modifications etc. (not altering text)

C1041 S. 280(1) extended (1.12.2001) by S.I. 2001/3592, **arts. 1(2)**, 47(1), 48(1) (with art. 23(2))

281 Directions.

(1) In this section a "relevant recognised scheme" means a scheme recognised under section F1983... 272.

(2) If it appears to the **[**F1961FCA**]** that—

(a) the operator, trustee or depositary of a relevant recognised scheme has contravened, or is likely to contravene, a requirement imposed on him by or under this Act,

(b) the operator, trustee or depositary of such a scheme has, in purported compliance with any such requirement, knowingly or recklessly given the **[**F1961FCA**]** information which is false or misleading in a material particular,

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(c) one or more of the requirements for the recognition of **[**F1984such a scheme**]** are no longer satisfied, or

(d) none of paragraphs (a) to (c) applies, but the exercise of the power conferred by this section is desirable in order to protect the interests of participants or potential participants in a relevant recognised scheme who are in the United Kingdom,

it may direct that the scheme is not to be a recognised scheme for a specified period or until the occurrence of a specified event or until specified conditions are complied with.

Textual Amendments

F1961 Word in ss. 271-283B substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), Sch. 18 para. 9(1)**(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1983 Words in s. 281(1) omitted (22.7.2013) by virtue of The Alternative Investment Fund Managers Regulations 2013 (S.I. 2013/1773), reg. 1, **Sch. 1 para. 26(a)**

F1984 Words in s. 281(2)(c) substituted (22.7.2013) by The Alternative Investment Fund Managers Regulations 2013 (S.I. 2013/1773), reg. 1, **Sch. 1 para. 26(b)**

Modifications etc. (not altering text)

C1042 S. 281 extended (1.12.2001) by S.I. 2001/2636, **arts. 1(2)(b)**, 70(b), 71(b); S.I. 2001/3538, **art. 2(1)**
S. 281 amended (*temp.* from 3.9.2001 to 1.12.2001) by S.I. 2001/2659, **arts. 1(2)**, 3(9); S.I. 2001/3538, **art. 2(1)**

282 Procedure on giving directions under section 281 and varying them otherwise than as requested.

(1) A direction takes effect—

(a) immediately, if the notice given under subsection (3) states that that is the case;

(b) on such date as may be specified in the notice; or

(c) if no date is specified in the notice, when the matter to which it relates is no longer open to review.

(2) A direction may be expressed to take effect immediately (or on a specified date) only if the **[**F1961FCA**]**, having regard to the ground on which it is exercising its power under section 281, considers that it is necessary for the direction to take effect immediately (or on that date).

(3) If the **[**F1961FCA**]** proposes to give a direction under section 281, or gives such a direction with immediate effect, it must give separate written notice to the operator and (if any) the trustee or depositary of the scheme concerned.

(4) The notice must—

(a) give details of the direction;

(b) inform the person to whom it is given of when the direction takes effect;

(c) state the **[**F1961FCA's**]** reasons for giving the direction and for its determination as to when the direction takes effect;

(d) inform the person to whom it is given that he may make representations to the **[**F1961FCA**]** within such period as may be specified in it (whether or not he has referred the matter to the Tribunal); and

(e) inform him of his right to refer the matter to the Tribunal.

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(5) The **[**F1961FCA**]** may extend the period allowed under the notice for making representations.

(6) If, having considered any representations made by a person to whom the notice was given, the **[**F1961FCA**]** decides—

(a) to give the direction in the way proposed, or

(b) if it has been given, not to revoke the direction,

it must give separate written notice to the operator and (if any) the trustee or depositary of the scheme concerned.

(7) If, having considered any representations made by a person to whom the notice was given, the **[**F1961FCA**]** decides—

(a) not to give the direction in the way proposed,

(b) to give the direction in a way other than that proposed, or

(c) to revoke a direction which has effect,

it must give separate written notice to the operator and (if any) the trustee or depositary of the scheme concerned.

(8) A notice given under subsection (6) must inform the person to whom it is given of his right to refer the matter to the Tribunal.

(9) A notice under subsection (7)(b) must comply with subsection (4).

(10) If a notice informs a person of his right to refer a matter to the Tribunal, it must give an indication of the procedure on such a reference.

(11) This section applies to the variation of a direction on the **[**F1961FCA's**]** own initiative as it applies to the giving of a direction.

(12) For the purposes of subsection (1)(c), whether a matter is open to review is to be determined in accordance with section 391(8).

Textual Amendments

F1961 Word in ss. 271-283B substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), Sch. 18 para. 9(1)**(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

[F1985**282A Obligations on operator where recognition is revoked or suspended**

(1) This section applies where—

(a) the FCA gives a decision notice under section 280(2) in relation to a scheme recognised under section 272, or

(b) a direction given by the FCA under section 281(2) in relation to such a scheme takes effect.

(2) The operator of the scheme must notify such persons as the FCA may direct that the FCA has revoked an order under section 272 for recognition of the scheme or given a direction under section 281 in relation to the scheme (as applicable).

(3) A notification under subsection (2) that relates to a direction under section 281 must set out the terms of the direction.

(4) A notification under subsection (2) must—

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(a) contain such information as the FCA may direct, and
(b) be made in such form and manner as the FCA may direct.

(5) Different directions may be given under subsection (2) or (4) in relation to—
(a) different schemes or different descriptions of schemes;
(b) different persons or descriptions of persons to whom a notification under subsection (2) must be given.

Textual Amendments
F1985 Ss. 282A-282C inserted (23.2.2022) by Financial Services Act 2021 (c. 22), **ss. 25(5)**, 49(5); S.I. 2022/163, reg. 2(b)

282B Public censure

(1) This section applies where the FCA considers that—
(a) rules made under section 278 have been contravened,
(b) the operator of a scheme recognised under section 272 has contravened section 277, 277A or 282A, or
(c) the operator of a scheme recognised under section 272 has contravened a rule made, or a requirement imposed, under section 283.

(2) The FCA may publish a statement to that effect.

(3) Where the FCA proposes to publish a statement under subsection (2) in relation to a scheme or the operator of a scheme, it must give the operator a warning notice setting out the terms of the statement.

(4) If the FCA decides to publish the statement—
(a) it must give the operator, without delay, a decision notice setting out the terms of the statement, and
(b) the operator may refer the matter to the Tribunal.

(5) After a statement under subsection (2) is published, the FCA must send a copy of it to the operator and to any person to whom a copy of the decision notice was given under section 393(4).

Textual Amendments
F1985 Ss. 282A-282C inserted (23.2.2022) by Financial Services Act 2021 (c. 22), **ss. 25(5)**, 49(5); S.I. 2022/163, reg. 2(b)

282C Recognition of parts of schemes under section 272

(1) Section 272(1) applies in relation to a part of a collective investment scheme as it applies in relation to such a scheme.

(2) Accordingly, the following include a part of a scheme recognised under section 272—
(a) the reference to a scheme recognised under section 272 in the definition of "recognised scheme" in section 237(3), and

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(b) other references to such a scheme (however expressed) in or in provision made under this Part of this Act (unless the contrary intention appears).

(3) Provisions of or made under this Part of this Act have effect in relation to parts of schemes recognised, or seeking recognition, under section 272 with appropriate modifications.

(4) The Treasury may by regulations—

(a) make provision about what are, or are not, appropriate modifications for the purposes of subsection (3);

(b) make provision so that a relevant enactment has effect in relation to parts of schemes recognised, or seeking recognition, under section 272 with such modifications as the Treasury consider appropriate;

(c) make provision so that a relevant enactment does not have effect in relation to such parts of schemes.

(5) Regulations under subsection (4)(b) or (c) may amend, repeal or revoke an enactment.

(6) In this section—

"enactment" has the same meaning as in section 271E;

"relevant enactment" means an enactment passed or made before the day on which subsection (1) comes into force that makes provision in relation to collective investment schemes recognised, or seeking recognition, under section 272.**]**

Textual Amendments

F1985 Ss. 282A-282C inserted (23.2.2022) by Financial Services Act 2021 (c. 22), **ss. 25(5)**, 49(5); S.I. 2022/163, reg. 2(b)

Facilities and information in UK

283 Facilities and information in UK.

(1) The **[**F1961FCA**]** may make rules requiring operators of recognised schemes to maintain in the United Kingdom, or in such part or parts of it as may be specified, such facilities as the **[**F1961FCA**]** thinks desirable in the interests of participants and as are specified in rules.

(2) The **[**F1961FCA**]** may by notice in writing require the operator of any recognised scheme to include such explanatory information as is specified in the notice in any communication of his which—

(a) is a communication of an invitation or inducement of a kind mentioned in section 21(1); and

(b) names the scheme.

(3) In the case of a communication originating outside the United Kingdom, subsection (2) only applies if the communication is capable of having an effect in the United Kingdom.

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Textual Amendments

F1961 Word in ss. 271-283B substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), Sch. 18 para. 9(1)**(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

Commencement Information

I55 S. 283 wholly in force at 1.12.2001; s. 283 not in force at Royal Assent see s. 431(2); s. 283(1) in force at 18.6.2001 by S.I. 2001/1820, art. 2, **Sch.**; s. 283 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**

[F1986CHAPTER 5A

MASTER-FEEDER STRUCTURES

Textual Amendments

F1986 Ch. 5A inserted (1.7.2011) by The Undertakings for Collective Investment in Transferable Securities Regulations 2011 (S.I. 2011/1613), **reg. 2(26)**

283A Master-feeder structures

(1) The operator of a UKUCITS may not invest a higher proportion of the property which is subject to the collective investment scheme constituted by that UCITS in units of another UCITS than is permitted by **[**F1987rule 5.2.11(9) of the Collective Investment Schemes sourcebook**]** unless the investment is approved by the **[**F1961FCA**]** in accordance with this section.

(2) An application for approval under subsection (1) of an investment must be made by the operator of the UKUCITS in such manner, and accompanied by such information, as is required by rules made by the **[**F1961FCA**]**.

(3) The **[**F1961FCA**]** must grant an application made under subsection (2) if it is satisfied—

(a) **[**F1988that the UK UCITS**]**, its operator, trustee or depositary and auditor and the UCITS in which it proposes to invest, and its operator, have complied with—

(i) the requirements laid down in **[**F1989the Chapter 8 provisions,**]** and

(ii) any other requirements imposed by the **[**F1961FCA**]** in relation to the application;

(b) in a case where the application is made by the operator of a feeder UCITS in respect of the investment of the proceeds of the winding-up of its master UCITS, that the proceeds of the winding up are to be paid to the feeder UCITS before the date on which the investment is to be made.

F1990(3A) **[** In subsection (3)(a)(i) "the Chapter 8 provisions" means—

(a) in relation to a UK UCITS or its operator, trustee or depositary, or auditor, any provision made by or under an enactment in implementation of Chapter 8 of the UCITS directive, and

(b) in relation to an EEA UCITS or its operator, Chapter 8 of the UCITS directive.**]**

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(4) In a case within subsection (3)(b), approval must be subject to the conditions in subsections (5) and (6).

(5) The first condition is that the feeder UCITS is to receive the proceeds of the winding-up—

(a) in cash; or

(b) wholly or partly in assets other than cash in a case where the feeder UCITS so elects and each of the following so permits—

(i) the decision of the master UCITS that it should be wound up;

(ii) the trust deed **[**F1991, contractual scheme deed**]** or instrument of incorporation of the feeder UCITS; and

(iii) either the agreement between the feeder UCITS and its master UCITS, or the internal conduct of business rules operated by the feeder UCITS and the master UCITS in accordance with rules made by the **[**F1961FCA**]**.

(6) The second condition is that cash received by the feeder UCITS in accordance with paragraph (5)(a) may not be reinvested before the date on which the feeder UCITS proposes to invest in the new UCITS, except for the purpose of efficient cash management.

(7) The **[**F1961FCA**]** must, within 15 working days of the date on which the **[**F1961FCA**]** had received all the information required in relation to the application, give written notice to the operator—

(a) that the **[**F1961FCA**]** approves its application, or

(b) that the **[**F1961FCA**]** objects to the application.

(8) Following receipt of notice that the **[**F1961FCA**]** objects to the application, the operator may refer the **[**F1961FCA's**]** decision to the Tribunal.

Textual Amendments

F1961 Word in ss. 271-283B substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), Sch. 18 para. 9(1)**(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1987 Words in s. 283A(1) substituted (31.12.2020) by The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), **27(2)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F1988 Words in s. 283A(3)(a) substituted (31.12.2020) by The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), **27(3)(a)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F1989 Words in s. 283A(3)(a)(i) substituted (31.12.2020) by The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), **27(3)(b)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F1990 S. 283A(3A) inserted (31.12.2020) by The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), **27(4)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F1991 Words in s. 283A(5)(b)(ii) inserted (6.6.2013) by The Collective Investment in Transferable Securities (Contractual Scheme) Regulations 2013 (S.I. 2013/1388), regs. 1, **3(15)** (with reg. 24)

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283B Reports on derivative instruments

(1) An authorised person who is the management company in relation to a **[**F1992UK**]**UCITS must report to the **[**F1961FCA**]** at specified intervals of not more than 12 months about any investment in derivative instruments during the specified period to which the report relates.

(2) The report must be in the specified form and contain the specified information.

(3) The **[**F1961FCA**]** must review the regularity and completeness of the information provided by each management company under subsection (1).

(4) In this section, "specified" means specified—

[F1993(a) in rules 6.12.3 and 6.12.3A, and annex 2R to chapter 6, of the Collective Investment Schemes sourcebook, or

(b) in UCITS-related direct EU legislation.**]]**

Textual Amendments

F1961 Word in ss. 271-283B substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), Sch. 18 para. 9(1)**(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F1992 Word in s. 283B(1) inserted (31.12.2020) by The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), **28(2)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F1993 S. 283B(4)(a)(b) substituted (31.12.2020) by The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), **28(3)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

CHAPTER VI

INVESTIGATIONS

284 Power to investigate.

(1) An investigating authority may appoint one or more competent persons to investigate on its behalf—

(a) the affairs of, or of the manager or trustee of, any authorised unit trust scheme,

(b) the affairs of, or of the operator, trustee or depositary of, any recognised scheme so far as relating to activities carried on in the United Kingdom, or

(c) the affairs of, or of the operator, trustee or depositary of, any other collective investment scheme except a body incorporated by virtue of regulations under section 262,

if it appears to the investigating authority that it is in the interests of the participants or potential participants to do so or that the matter is of public concern.

(2) A person appointed under subsection (1) to investigate the affairs of, or of the manager, trustee, operator or depositary of, any scheme (scheme "A"), may also, if he thinks it necessary for the purposes of that investigation, investigate—

(a) the affairs of, or of the manager, trustee, operator or depositary of, any other such scheme as is mentioned in subsection (1) whose manager, trustee,

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operator or depositary is the same person as the manager, trustee, operator or depositary of scheme A;

(b) the affairs of such other schemes and persons (including bodies incorporated by virtue of regulations under section 262 and the directors and depositaries of such bodies) as may be prescribed.

(3) If the person appointed to conduct an investigation under this section ("B") considers that a person ("C") is or may be able to give information which is relevant to the investigation, B may require C—

(a) to produce to B any documents in C's possession or under his control which appear to B to be relevant to the investigation,

(b) to attend before B, and

(c) otherwise to give B all assistance in connection with the investigation which C is reasonably able to give,

and it is C's duty to comply with that requirement.

(4) Subsections (5) to (9) of section 170 apply if an investigating authority appoints a person under this section to conduct an investigation on its behalf as they apply in the case mentioned in subsection (1) of that section.

(5) Section 174 applies to a statement made by a person in compliance with a requirement imposed under this section as it applies to a statement mentioned in that section.

(6) Subsections (2) to (4) and (6) of section 175 and section 177 have effect as if this section were contained in Part XI.

(7) Subsections (1) to (9) of section 176 apply in relation to a person appointed under subsection (1) as if—

(a) references to an investigator were references to a person so appointed;

(b) references to an information requirement were references to a requirement imposed under section 175 or under subsection (3) by a person so appointed;

(c) the premises mentioned in subsection (3)(a) were the premises of a person whose affairs are the subject of an investigation under this section or of an appointed representative of such a person.

(8) No person may be required under this section to disclose information or produce a document in respect of which he owes an obligation of confidence by virtue of carrying on the business of banking unless subsection (9) or (10) applies.

(9) This subsection applies if—

(a) the person to whom the obligation of confidence is owed consents to the disclosure or production; or

(b) the imposing on the person concerned of a requirement with respect to information or a document of a kind mentioned in subsection (8) has been specifically authorised by the investigating authority.

(10) This subsection applies if the person owing the obligation of confidence or the person to whom it is owed is—

(a) the manager, trustee, operator or depositary of any collective investment scheme which is under investigation;

(b) the director of a body incorporated by virtue of regulations under section 262 which is under investigation;

(c) any other person whose own affairs are under investigation.

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

(11) "Investigating authority" means **[**[F1994]the FCA**]** or the Secretary of State.

Textual Amendments

F1994 Words in s. 284 substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 18 para. 17** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

Modifications etc. (not altering text)

C1043 S. 284(1) extended (with modifications) (1.12.2001) by S.I. 2001/3646, **arts. 1(2)**, 8

Commencement Information

I56 S. 284 wholly in force at 1.12.2001; s. 284 not in force at Royal Assent see s. 431(2); s. 284(2) in force for certain purposes at 25.2.2001 by S.I. 2001/516, art. 2(b), **Sch. Pt. 2**; s. 284 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**

[[F1995]**PART 17A**

TRANSFORMER VEHICLES

Textual Amendments

F1995 Pt. 17A inserted (4.5.2016) by Bank of England and Financial Services Act 2016 (c. 14), **ss. 31(2)**, 41(1)

284A Transformer vehicles

(1) In this section "transformer vehicle" means an undertaking ("A") which—

(a) is established for the purposes of carrying on the activities mentioned in subsection (2), or

(b) carries on those activities.

(2) The activities referred to in subsection (1) are—

(a) assuming risk from another undertaking ("B"), and

(b) fully funding A's exposure to that risk by issuing investments where the repayment rights of the investors are subordinated to A's obligations to B in respect of the risk.

(3) The Treasury may by regulations make provision for facilitating, and provision for regulating—

(a) the establishment and operation of transformer vehicles;

(b) the activities mentioned in subsection (2);

(c) the trading of investments issued by transformer vehicles.

(4) Regulations under subsection (3) may (amongst other things) make provision—

(a) for the incorporation and registration in the United Kingdom of bodies corporate;

(b) for a body incorporated by virtue of the regulations to take such form and name as may be determined in accordance with the regulations;

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(c) as to the purposes for which such a body may exist and the investments which it may issue;

(d) as to the constitution, ownership, management and operation of such a body;

(e) for such a body to comprise different parts;

(f) for such parts to have legal personality distinct from that of the body;

(g) as to the holding and management of the assets and liabilities of such a body, including provision for the segregation of assets and liabilities relating to different risks;

(h) as to the powers, duties, rights and liabilities of such a body and of other persons, including—

(i) its directors and other officers;

(ii) its shareholders, and persons who hold the beneficial title to shares in it without holding the legal title;

(iii) its auditor;

(iv) any persons holding assets for it;

(v) any persons who act or purport to act on its behalf;

(i) as to the merger of one or more such bodies and the division of such a body;

(j) for the appointment and removal of an auditor for such a body;

(k) as to the winding up and dissolution of such a body;

(l) enabling the FCA or the PRA to apply to a court for an order removing or replacing any director of, or person holding assets for, such a body;

(m) for the carrying out of investigations by persons appointed by the FCA or the PRA.

(5) If regulations under subsection (3) make the provision mentioned in subsection (4)(e) references in subsection (4) to a body include its constituent parts.

(6) Regulations under subsection (3) may—

(a) impose criminal liability;

(b) confer functions on the FCA or the PRA (including the functions of making rules and giving directions);

(c) authorise the FCA or the PRA to require the Council of Lloyd's to exercise functions on its behalf (including functions conferred otherwise than by the regulations);

(d) confer jurisdiction on any court or on the Tribunal;

(e) provide for fees to be charged by the FCA or the PRA in connection with the carrying out of any of their functions under the regulations (including fees payable on a periodical basis);

(f) modify, exclude or apply (with or without modifications) any primary or subordinate legislation (including any provision of, or made under, this Act);

(g) make consequential amendments, repeals and revocations of any such legislation;

(h) modify or exclude any rule of law.

(7) Regulations under subsection (3) may make the provision mentioned in subsection (6)(c) only with the consent of the Council of Lloyd's.

(8) The provision that may be made by virtue of subsection (6)(f) includes provision extending or adapting any power to make subordinate legislation.

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(9) Regulations under subsection (3) may provide that a reference in the regulations to, or to any provision of, legislation (including [F1996]... legislation of a country or territory outside the United Kingdom) is to be construed as a reference to that legislation or that provision as amended from time to time.

(10) In this section—

"investment" includes any asset, right or interest;

"primary legislation" means an Act, an Act of the Scottish Parliament, a Measure or Act of the National Assembly for Wales, or Northern Ireland legislation;

"subordinate legislation" means an instrument made under primary legislation.

(11) If a statutory instrument containing regulations under this section would, apart from this subsection, be treated as a hybrid instrument for the purposes of the Standing Orders of either House of Parliament, it is to proceed in that House as if it were not a hybrid instrument.**]**

Textual Amendments

F1996 Words in s. 284A(9) omitted (31.12.2020) by virtue of The Solvency 2 and Insurance (Amendment, etc.) (EU Exit) Regulations 2019 (S.I. 2019/407), regs. 1(2), **5(2)** (as amended by S.I. 2020/1385, regs. 1(2), 54(2))

PART XVIII

[F1997 RECOGNISED INVESTMENT EXCHANGES, CLEARING HOUSES [F1998, CSDS AND OTHER PARTIES]]

Textual Amendments

F1997 Pt. 18 heading substituted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **2(8)** (with regs. 7(4), 9(1))

F1998 Words in Pt. 18 heading substituted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 18(2)**, 86(3); S.I. 2023/779, reg. 4(m)

Modifications etc. (not altering text)

C1044 Pt. 18 applied in part (with modifications) (12.12.2011) by The Recognised Auction Platforms Regulations 2011 (S.I. 2011/2699), **reg. 7**, Sch. 2 (as amended (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), reg. 1, **Sch. para. 37** (with regs. 7(4), 9(1)))

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CHAPTER I

EXEMPTION

General

285 [F1999Exemption for recognised bodies etc.]

(1) In this Act—

(a) "recognised investment exchange" means an investment exchange in relation to which a recognition order is in force;

[F2000(b) "recognised clearing house" means—

(i) a central counterparty in relation to which a recognition order is in force (in this Part referred to as a "recognised central counterparty"), or

(ii) a clearing house which provides clearing services in the United Kingdom without doing so as a central counterparty, and in relation to which a recognition order is in force;

F2001(c) . . . . . .

(d) [F2002"third country central counterparty" means a person established in a country other than the United Kingdom who has been recognised by the Bank of England as a central counterparty pursuant to Article 25 of the EMIR Regulation;]]

[F2003(e) "recognised CSD" means a central securities depository in relation to which a recognition order is in force;

[F2004(g) "third country CSD" means a central securities depository, established in a country other than the United Kingdom, which is recognised by the Bank of England pursuant to Article 25 of the CSD regulation.]]

(2) A recognised investment exchange is exempt from the general prohibition as respects any regulated activity—

(a) which is carried on as a part of the exchange's business as an investment exchange; or

[F2005(b) which is carried on for the purposes of, or in connection with, the provision by the exchange of services designed to facilitate the provision of clearing services by another person.]

[F2006(2A) Subsection (2) does not apply in respect of a regulated activity specified by Chapter 2B (cryptoassets) of Part 2 (specified activities) of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001.]

(3) [F2007A recognised clearing house which is not a recognised central counterparty] is exempt from the general prohibition as respects any regulated [F2008activity—

(a) which is carried on for the purposes of, or in connection with, the provision of clearing services by the clearing house, or

(b) which is carried on for the purposes of, or in connection with, the provision by the clearing house of services designed to facilitate the provision of clearing services by another person.]

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[F2009(3ZA) Subsections (2) and (3) do not apply in respect of the regulated activity specified in article 63S of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (administering a benchmark).**]**

[F2010(3A) A recognised central counterparty is exempt from the general prohibition as respects any regulated activity which is carried on for the purposes of, or in connection with, the services or activities specified in its recognition order.

F2011(3B) . . . . . .

(3C) A third country central counterparty is exempt from the general prohibition as respects any regulated activity which is carried on for the purposes of, or in connection with, the services or activities specified in its recognition by **[**F2012the Bank of England**]** pursuant to Article 25 of the EMIR regulation.**]**

[F2013(3D) A recognised CSD is exempt from the general prohibition as respects any regulated activity which is carried on for the purposes of, or in connection with—

(a) the core services listed in Section A of the Annex to the CSD regulation which the central securities depository is authorised to provide pursuant to Article 16 or 19(1)(a) or (c) of that regulation, or

(b) any non-banking-type ancillary services listed in or permitted under Section B of that Annex which the central securities depository is authorised to provide, including services notified under Article 19 of the CSD regulation.

F2014(3E) . . . . . .

F2014(3F) . . . . . .

(3G) A third country CSD is exempt from the general prohibition as respects any regulated activity which is carried on for the purposes of, or in connection with, the services and activities covered by its recognition by **[**F2015the Bank of England**]** pursuant to Article 25 of the CSD regulation.

(3H) But a recognised CSD F2016... or a third country CSD is not exempt from the general prohibition as respects any regulated activity which is carried on for the purposes of, or in connection with, any banking-type ancillary service listed in or permitted under Section C of the Annex to the CSD regulation.**]**

[F2017(4) The Treasury may by order amend paragraph (b) of subsection (2) or (3).**]**

Textual Amendments

F1999 S. 285 heading substituted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **2(9)(a)** (with regs. 7(4), 9(1))

F2000 S. 285(1)(b)-(d) substituted for s. 285(1)(b) and word (1.4.2013) by The Financial Services and Markets Act 2000 (Over the Counter Derivatives, Central Counterparties and Trade Repositories) Regulations 2013 (S.I. 2013/504), regs. 1(2), **3(3)(a)** (with regs. 52-58)

F2001 S. 285(1)(c) omitted (31.12.2020) by virtue of The Central Counterparties (Amendment, etc., and Transitional Provision) (EU Exit) Regulations 2018 (S.I. 2018/1184), regs. 1(2), **3(2)(a)** (with arts. 11-20) (as amended by: S.I. 2019/405, reg. 8; S.I. 2020/56, reg. 7; and S.I. 2020/646, reg. 4; and with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F2002 S. 285(1)(d) substituted (31.12.2020) by The Central Counterparties (Amendment, etc., and Transitional Provision) (EU Exit) Regulations 2018 (S.I. 2018/1184), regs. 1(2), **3(2)(b)** (with arts. 11-20) (as amended by: S.I. 2019/405, reg. 8; S.I. 2020/56, reg. 7; and S.I. 2020/646, reg. 4; and with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

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F2003 S. 285(1)(e)-(g) inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **2(9)(b)(ii)** (with regs. 7(4), 9(1))

F2004 S. 285(1)(g) substituted for s. 285(1)(f)(g) (31.12.2020) by The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(3), **5(2)(a)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F2005 S. 285(2)(b) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 28(2)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2006 S. 285(2A) inserted (25.2.2026 for specified purposes) by The Financial Services and Markets Act 2000 (Cryptoassets) Regulations 2026 (S.I. 2026/102), regs. 1(2)(3), **41(4)** (with regs. 53-56)

F2007 Words in s. 285(3) substituted (1.4.2013) by The Financial Services and Markets Act 2000 (Over the Counter Derivatives, Central Counterparties and Trade Repositories) Regulations 2013 (S.I. 2013/504), regs. 1(2), **3(3)(b)** (with regs. 52-58)

F2008 Words in s. 285(3) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 28(3)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2009 S. 285(3ZA) inserted (27.2.2018) by The Financial Services and Markets Act 2000 (Benchmarks) Regulations 2018 (S.I. 2018/135), regs. 1(2), **45**

F2010 S. 285(3A)-(3C) inserted (1.4.2013) by The Financial Services and Markets Act 2000 (Over the Counter Derivatives, Central Counterparties and Trade Repositories) Regulations 2013 (S.I. 2013/504), regs. 1(2), **3(3)(c)** (with regs. 52-58)

F2011 S. 285(3B) omitted (31.12.2020) by virtue of The Central Counterparties (Amendment, etc., and Transitional Provision) (EU Exit) Regulations 2018 (S.I. 2018/1184), regs. 1(2), **3(3)** (with arts. 11-20) (as amended by: S.I. 2019/405, reg. 8; S.I. 2020/56, reg. 7; and S.I. 2020/646, reg. 4; and with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F2012 Words in s. 285(3C) substituted (31.12.2020) by The Central Counterparties (Amendment, etc., and Transitional Provision) (EU Exit) Regulations 2018 (S.I. 2018/1184), regs. 1(2), **3(4)** (with arts. 11-20) (as amended by: S.I. 2019/405, reg. 8; S.I. 2020/56, reg. 7; and S.I. 2020/646, reg. 4; and with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F2013 S. 285(3D)-(3H) inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **2(9)(c)** (with regs. 7(4), 9(1))

F2014 S. 285(3E)(3F) omitted (31.12.2020) by virtue of The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(3), **5(2)(b)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F2015 Words in s. 285(3G) substituted (31.12.2020) by The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(3), **5(2)(c)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F2016 Words in s. 285(3H) omitted (31.12.2020) by virtue of The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(3), **5(2)(d)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F2017 S. 285(4) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 28(4)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

[F2018 285A [F2019 Powers exercisable in relation to recognised bodies] [F2020 etc]

(1) For the purposes of this Part, the FCA is "the appropriate regulator" in relation to recognised investment exchanges.

(2) For the purposes of this Part, the Bank of England is "the appropriate regulator" in relation to recognised clearing houses **[**F2021 and recognised CSDs**]**.

(3) In Schedule 17A—

(a) Part 1 makes provision for a memorandum of understanding between the appropriate regulators **[**F2022, and between the FCA and the PRA,**]** with respect to the exercise of their functions in relation to recognised **[**F2023 bodies**]**;

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(b) Part 2 applies certain provisions of this Act in relation to the Bank of England in consequence of the conferring of functions on the Bank under this Part of this Act **[**F2024or as a consequence of conferring other FMI functions on the Bank**]**;

(c) Part 3 makes provision relating to the winding up, administration or insolvency of **[**F2025recognised clearing houses**][**F2026and recognised CSDs**]**; and

(d) Part 4 makes provision about fees.**]**

Textual Amendments

F2018 S. 285A inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), **ss. 29(1)**, 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(b), Sch. Pt. 2; S.I. 2013/423, art. 3, Sch.

F2019 S. 285A heading substituted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **2(10)(a)** (with regs. 7(4), 9(1))

F2020 Word in s. 285A heading inserted (1.1.2024 at 1.00 a.m. for specified purposes, 1.8.2024 in so far as not already in force) by Financial Services and Markets Act 2023 (c. 29), **ss. 50(2)(a)**, 86(3); S.I. 2023/1382, regs. 10(f), **11(b)**

F2021 Words in s. 285A(2) substituted (31.12.2020) by The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(3), **5(3)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F2022 Words in s. 285A(3)(a) substituted (1.3.2017) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 43** (with Sch. 3); S.I. 2017/43, reg. 2(g)

F2023 Word in s. 285A(3)(a) substituted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **2(10)(c)(i)** (with regs. 7(4), 9(1))

F2024 Words in s. 285A(3)(b) inserted (1.1.2024 at 1.00 a.m. for specified purposes, 1.8.2024 in so far as not already in force) by Financial Services and Markets Act 2023 (c. 29), **ss. 50(2)(b)**, 86(3); S.I. 2023/1382, regs. 10(f), 11(b)

F2025 Words in s. 285A(3)(c) substituted (1.4.2013) by The Financial Services and Markets Act 2000 (Over the Counter Derivatives, Central Counterparties and Trade Repositories) Regulations 2013 (S.I. 2013/504), regs. 1(2), **3(4)** (with regs. 52-58)

F2026 Words in s. 285A(3)(c) inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **2(10)(c)(ii)** (with regs. 7(4), 9(1))

286 Qualification for recognition.

(1) The Treasury may make regulations setting out the requirements—

(a) which must be satisfied by an investment exchange **[**F2027, clearing house or central securities depository**]** if it is to qualify as a body in respect of which **[**F2028the appropriate regulator**]** may make a recognition order under this Part; and

(b) which, if a recognition order is made, it must continue to satisfy if it is to remain a recognised body.

(2) But if regulations contain provision as to the default rules of an investment exchange **[**F2029, clearing house or central securities depository**]**, or as to proceedings taken under such rules by such a body, they require the approval of the Secretary of State.

(3) "Default rules" means rules of an investment exchange **[**F2030, clearing house or central securities depository**]** which provide for the taking of action in the event of a person's appearing to be unable, or likely to become unable, to meet his obligations in respect

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of one or more market contracts connected with the exchange **[**F2030, clearing house or central securities depository**]**.

(4) "Market contract" means—

(a) a contract to which Part VII of the M21Companies Act 1989 applies as a result of section 155 of that Act or a contract to which Part V of the M22Companies (No. 2)(Northern Ireland) Order 1990 applies as a result of Article 80 of that Order; and

(b) such other kind of contract as may be prescribed.

F2031(4A) . . . . . .

F2031(4B) . . . . . .

F2031(4C) . . . . . .

F2031(4D) . . . . . .

F2031(4E) . . . . . .

[F2032(4F) Regulations under subsection (1) may confer power on the appropriate regulator to make rules for the purposes of the regulations or of any specified provision made by the regulations.**]**

(5) Requirements resulting from this section are referred to in this Part as "recognition requirements".

[F2033(6) In the case of an investment exchange, requirements resulting from this section are in addition to requirements which must be satisfied by the exchange as a result of section 290(1A) before **[**F2034the FCA**]** may make a recognition order declaring the exchange to be a recognised investment exchange.**]**

Textual Amendments

F2027 Words in s. 286(1)(a) substituted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **2(11)(a)** (with regs. 7(4), 9(1))

F2028 Words in s. 286(1)(a) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 2(2)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2029 Words in s. 286(2) substituted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **2(11)(b)** (with regs. 7(4), 9(1))

F2030 Words in s. 286(3) substituted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **2(11)(c)** (with regs. 7(4), 9(1))

F2031 S. 286(4A)-(4E) omitted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by virtue of The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 2 para. 29** (with reg. 7)

F2032 S. 286(4F) inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), **ss. 30**, 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(b), Sch. Pt. 2; S.I. 2013/423, art. 3, Sch.

F2033 S. 286(6) inserted (1.4.2007 for certain purposes and 1.11.2007 otherwise) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2007 (S.I. 2007/126), regs. 1(2), 3(2), **Sch. 2 para. 2**

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F2034 Words in s. 286(6) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 2(3)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

Marginal Citations

M21 1989 c. 40.

M22 S.I. 1990/1504 (N.I. 10).

Applications for recognition

287 Application by an investment exchange.

(1) Any body corporate or unincorporated association may apply to **[**F2035the FCA**]** for an order declaring it to be a recognised investment exchange for the purposes of this Act.

(2) The application must be made in such manner as **[**F2036the FCA**]** may direct and must be accompanied by—

(a) a copy of the applicant's rules;

(b) a copy of any guidance issued by the applicant;

(c) the required particulars; and

(d) such other information as **[**F2036the FCA**]** may reasonably require for the purpose of determining the application.

(3) The required particulars are—

(a) particulars of any arrangements which the applicant has made, or proposes to make, for the provision **[**F2037by another person**]** of clearing services in respect of transactions effected on the exchange;

(b) if the applicant proposes to provide **[**F2038services falling within section 285(2)(b)**]** in respect of transactions other than those effected on the exchange, particulars of the criteria which the applicant will apply when determining to whom it will provide those services **[**F2039;

(c) a programme of operations which includes the types of business the applicant proposes to undertake and the applicant's proposed organisational structure;

(d) such particulars of the persons who effectively direct the business and operations of the exchange as **[**F2040the FCA**]** may reasonably require;

(e) such particulars of the ownership of the exchange, and in particular of the identity and scale of interests of the persons who are in a position to exercise significant influence over the management of the exchange, whether directly or indirectly, as **[**F2041the FCA**]** may reasonably require.**]**

[F2042(4) Subsection (3)(c) to (e) does not apply to an application by an overseas applicant.**]**

Textual Amendments

F2035 Words in s. 287(1) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 3(2)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2036 Words in s. 287(2) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 3(2)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

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Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

F2037 Words in s. 287(3)(a) inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 3(3)(a)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2038 Words in s. 287(3)(b) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 3(3)(b)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2039 S. 287(3)(c)-(e) inserted (1.4.2007 for certain purposes and 1.11.2007 otherwise) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2007 (S.I. 2007/126), regs. 1(2), 3(2), **Sch. 2 para. 3(a)**

F2040 Words in s. 287(3)(d) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 3(3)(c)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2041 Words in s. 287(3)(e) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 3(3)(c)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2042 S. 287(4) inserted (1.4.2007 for certain purposes and 1.11.2007 otherwise) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2007 (S.I. 2007/126), regs. 1(2), 3(2), **Sch. 2 para. 3(b)**

Commencement Information

I57 S. 287 wholly in force at 3.9.2001; s. 287 not in force at Royal Assent see s. 431(2); s. 287(2) in force for specified purposes at 18.6.2001 by S.I. 2001/1820, art. 2, **Sch.**; s. 287 in so far as not already in force at 3.9.2001 by S.I. 2001/2632, art. 2, **Sch. Pt. 2**

[F2043]287A Application by an investment exchange: persons connected with an applicant

. . . . . .

Textual Amendments

F2043 S. 287A omitted (31.12.2020) by virtue of The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(3), **5(4)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

288 Application by a clearing house.

[[F2044](A1) This section applies only in relation to an application by a clearing house.**]**

[[F2045](1) A body corporate or unincorporated association which is established in the United Kingdom may, where it intends to provide clearing services as a central counterparty, apply to the Bank of England in accordance with Article 17 of the EMIR regulation for an order granting authorisation for the purposes of that Article and declaring it to be a recognised central counterparty for the purposes of this Act.

(1A) A body corporate or unincorporated association may, where it intends to provide clearing services in the United Kingdom without doing so as a central counterparty, apply to the Bank of England for an order declaring it to be for the purposes of this Act a recognised clearing house which is not a recognised central counterparty.**]**

(2) **[**[F2046]An application under subsection (1A)**]** must be made in such manner as **[**[F2047]the Bank of England**]** may direct and must be accompanied by—

(a) a copy of the applicant's rules;

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(b) a copy of any guidance issued by the applicant;

(c) the required particulars; and

(d) such other information as **[**F2048the Bank**]** may reasonably require for the purpose of determining the application.

(3) The required particulars are—

(a) if the applicant makes, or proposes to make, clearing arrangements with a recognised investment exchange, particulars of those arrangements;

(b) if the applicant proposes to provide clearing services **[**F2049or services falling within section 285(3)(b)**]** for persons other than recognised investment exchanges, particulars of the criteria which it will apply when determining to whom it will provide those services.

Textual Amendments

F2044 S. 288(A1) inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **2(12)** (with regs. 7(4), 9(1))

F2045 S. 288(1)(1A) substituted for s. 288(1) (1.4.2013) by The Financial Services and Markets Act 2000 (Over the Counter Derivatives, Central Counterparties and Trade Repositories) Regulations 2013 (S.I. 2013/504), regs. 1(2), **3(5)(a)** (with regs. 52-58)

F2046 Words in s. 288(2) substituted (1.4.2013) by The Financial Services and Markets Act 2000 (Over the Counter Derivatives, Central Counterparties and Trade Repositories) Regulations 2013 (S.I. 2013/504), regs. 1(2), **3(5)(b)** (with regs. 52-58)

F2047 Words in s. 288(2) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 4(3)(a)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2048 Words in s. 288(2)(d) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 4(3)(b)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2049 Words in s. 288(3)(b) inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 4(4)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

Commencement Information

I58 S. 288 wholly in force at 3.9.2001; s. 288 not in force at Royal Assent see s. 431(2); s. 288(2) in force for specified purposes at 18.6.2001 by S.I. 2001/1820, art. 2, **Sch.**; s. 288 in force in so far as not already in force at 3.9.2001 by S.I. 2001/2632, **art. 2 Sch. Pt. 2**

[F2050**288A Application by a central securities depository**

Where a legal person which is established in the United Kingdom intends—

(a) to operate a securities settlement system referred to in point (3) of Section A of the Annex to the CSD regulation, and

(b) to provide at least one other core service listed in Section A of that Annex,

it may apply to the Bank of England in accordance with Article 17 of the CSD regulation **[**F2051, and any technical standards originally made or adopted under that Article which are **[**F2052assimilated direct**]** legislation and any technical standards made under that Article by the Bank on or after IP completion day,**]** for an order granting authorisation for the purposes of Article 16 of that regulation and declaring it to be a recognised CSD for the purposes of this Act.**]**

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Textual Amendments

F2050 S. 288A inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **2(13)** (with regs. 7(4), 9(1))

F2051 Words in s. 288A substituted (31.12.2020) by The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(3), **5(5)** (as amended by S.I. 2020/1301, regs. 1, 3, **Sch. para. 37(b)**) (with savings in S.I. 2019/680, **reg. 11**); 2020 c. 1, **Sch. 5 para. 1(1)**

F2052 Words in s. 288A substituted (1.1.2024) by The Retained EU Law (Revocation and Reform) Act 2023 (Consequential Amendment) Regulations 2023 (S.I. 2023/1424), reg. 1(2), **Sch. para. 44(4)(l)**

289 Applications: supplementary.

(1) At any time after receiving an application and before determining it, **[**F2053the appropriate regulator**]** may require the applicant to provide such further information as it reasonably considers necessary to enable it to determine the application.

(2) Information which **[**F2054the appropriate regulator**]** requires in connection with an application must be provided in such form, or verified in such manner, as **[**F2054the appropriate regulator**]** may direct.

(3) Different directions may be given, or requirements imposed, by **[**F2055the appropriate regulator**]** with respect to different applications.

[F2056(4) In relation to an application under section 288(1), this section does not apply to information which can be required under Article 17 of the EMIR regulation.**]**

[F2057(5) In relation to an application under section 288A, this section applies only in relation to information which the Bank of England may require in connection with recognition requirements which do not **[**F2058derive from any of the following—

(a) the CSD Regulation;

(b) any EU regulation, originally made under the CSD regulation, which is **[**F2059assimilated direct**]** legislation;

(c) any subordinate legislation (within the meaning of the Interpretation Act 1978) made under the CSD regulation on or after IP completion day.**]]**

Textual Amendments

F2053 Words in s. 289(1) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 5** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2054 Words in s. 289(2) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 5** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2055 Words in s. 289(3) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 5** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2056 S. 289(4) inserted (1.4.2013) by The Financial Services and Markets Act 2000 (Over the Counter Derivatives, Central Counterparties and Trade Repositories) Regulations 2013 (S.I. 2013/504), regs. 1(2), **3(6)** (with regs. 52-58)

F2057 S. 289(5) inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **2(14)** (with regs. 7(4), 9(1))

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F2058 Words in s. 289(5) substituted (31.12.2020) by The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(3), **5(6)** (as amended by S.I. 2020/1301, regs. 1, 3, **Sch. para. 37(b)**) (with savings in S.I. 2019/680, **reg. 11**); 2020 c. 1, **Sch. 5 para. 1(1)**

F2059 Words in s. 289(5)(b) substituted (1.1.2024) by The Retained EU Law (Revocation and Reform) Act 2023 (Consequential Amendment) Regulations 2023 (S.I. 2023/1424), reg. 1(2), **Sch. para. 44(4)(m)**

290 Recognition orders.

[F2060(1) If it appears to the appropriate regulator that the applicant satisfies the recognition requirements applicable in its case, the regulator may—

(a) where the application is made under section 287, make a recognition order declaring the applicant to be a recognised investment exchange;

(b) where the application is made under section 288(1) and Article 17 of the EMIR regulation allows authorisation to be granted, make a recognition order ("a central counterparty recognition order") granting authorisation for the purposes of that Article and declaring the applicant to be a recognised central counterparty; F2061...

(c) where the application is made under section 288(1A), make a recognition order declaring the applicant to be a recognised clearing house which is not a recognised central counterparty **[**F2062; or

(d) where the application is made under section 288A, make a recognition order (a "CSD recognition order") granting authorisation for the purposes of Article 16 of the CSD regulation and declaring the applicant to be a recognised CSD**].]**

[F2063**[**F2064(1A) In the case of an application for an order declaring the applicant to be a recognised investment exchange, the reference in subsection (1) to the recognition requirements applicable in its case includes a reference to requirements contained in any of the following—

(a) any EU regulation, originally made under the markets in financial instruments directive, which is **[**F2065assimilated direct**]** legislation;

(b) any EU regulation, originally made under the markets in financial instruments regulation, which is **[**F2066assimilated direct**]** legislation;

(c) any subordinate legislation (within the meaning of the Interpretation Act 1978) made under the markets in financial instruments regulation on or after IP completion day.**]**

(1B) In the case mentioned in subsection (1A), the application must be determined by **[**F2067the FCA**]** before the end of the period of six months beginning with the date on which it receives the completed application.

(1C) Subsection (1B) does not apply in the case of an application by an overseas applicant.**]**

[F2068(1D) A central counterparty recognition order must specify the services or activities linked to clearing which the applicant may provide or perform and the classes of financial instruments covered by the order.**]**

[F2069(1E) A CSD recognition order must specify—

(a) the core services listed in Section A of the Annex to the CSD regulation which the applicant is authorised to provide pursuant to Article 16 or 19(1)(a) or (c) of that regulation, and

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(b) any non-banking-type ancillary services listed in or permitted under Section B of that Annex which the applicant is authorised to provide, including services notified under Article 19 of the CSD regulation.

(1F) A CSD recognition order must also record the terms of any of the following authorisations granted to the CSD under the CSD regulation or notifications made by the CSD under that regulation—

(a) an authorisation under Article 19(1) of the CSD regulation to outsource a core service under Article 30 of that regulation,

(b) an authorisation under Article 19(1)(d) of the CSD regulation (settlement of cash leg of securities settlement system in the books of another settlement agent),

(c) an authorisation under Article 19(1)(e) of the CSD regulation (setting up interoperable link),

(d) a notification under Article 19(5) of the CSD regulation (other CSD links),

(e) an authorisation under Article 54 or 56 of the CSD regulation to provide (in accordance with Article 54(2)(a) or (b)) any banking-type ancillary service listed in or permitted under Section C of the Annex to that regulation, and

(f) an authorisation to provide investment services and activities in addition to the services explicitly listed in Sections A and B of the Annex to the CSD regulation.**]**

F2070(2) . . . . . .

(3) In considering an application **[F2071**made under section 287 or 288(1A)**]**, **[F2072**the appropriate regulator**]** may have regard to any information which it considers is relevant to the application.

(4) A recognition order must specify a date on which it is to take effect.

[F2073(4A) If the Bank of England has not made a decision in relation to an application under section 288A within six months of that application being complete, the applicant may refer the matter to the Tribunal.

(4B) For the purposes of subsection (4A), an application is "complete" when the Bank of England informs the applicant that it is complete pursuant to Article 17(3) of the CSD regulation.**]**

(5) Section 298 has effect in relation to a decision to refuse to make a recognition order **[F2074**in respect of an investment exchange or a clearing house which is not a central counterparty**]**—

(a) as it has effect in relation to a decision to revoke such an order; and

(b) as if references to a recognised body were references to the applicant.

[F2075(5A) Section 298 has effect in relation to a decision to refuse an application under section 288A—

(a) as it has effect in relation to a decision to make a revocation order under section 297(1B); and

(b) as if references to a recognised body were references to the applicant.**]**

F2076(6) . . . . . .

[F2077(7) Where—

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(a) a body corporate or unincorporated association has made an application under section 288(1), and

(b) the Bank of England has determined that application in accordance with Article 17 of the EMIR regulation,

any previous recognition order under section 290(1)(c) or 292(2)(b) shall cease to be valid.**]**

Textual Amendments

F2060 S. 290(1) substituted (1.4.2013) by The Financial Services and Markets Act 2000 (Over the Counter Derivatives, Central Counterparties and Trade Repositories) Regulations 2013 (S.I. 2013/504), regs. 1(2), **3(7)(a)** (with regs. 52-58)

F2061 Word in s. 290(1)(b) omitted (28.11.2017) by virtue of The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **2(15)(a)(i)** (with regs. 7(4), 9(1))

F2062 S. 290(1)(d) and word inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **2(15)(a)(ii)** (with regs. 7(4), 9(1))

F2063 S. 290(1A) substituted (31.12.2020) by The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(3), **5(7)** (as amended by S.I. 2020/1301, regs. 1, 3, **Sch. para. 37(b)**) (with savings in S.I. 2019/680, **reg. 11**); 2020 c. 1, **Sch. 5 para. 1(1)**

F2064 S. 290(1A)-(1C) inserted (1.4.2007 for certain purposes and 1.11.2007 otherwise) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2007 (S.I. 2007/126), regs. 1(2), 3(2), **Sch. 2 para. 4**

F2065 Words in s. 290(1A)(a) substituted (1.1.2024) by The Retained EU Law (Revocation and Reform) Act 2023 (Consequential Amendment) Regulations 2023 (S.I. 2023/1424), reg. 1(2), **Sch. para. 44(4)(n)**

F2066 Words in s. 290(1A)(b) substituted (1.1.2024) by The Retained EU Law (Revocation and Reform) Act 2023 (Consequential Amendment) Regulations 2023 (S.I. 2023/1424), reg. 1(2), **Sch. para. 44(4)(n)**

F2067 Words in s. 290(1B) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 6(3)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2068 S. 290(1D) inserted (1.4.2013) by The Financial Services and Markets Act 2000 (Over the Counter Derivatives, Central Counterparties and Trade Repositories) Regulations 2013 (S.I. 2013/504), regs. 1(2), **3(7)(b)** (with regs. 52-58)

F2069 S. 290(1E)(1F) inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **2(15)(b)** (with regs. 7(4), 9(1))

F2070 S. 290(2) omitted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by virtue of Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 6(4)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2071 Words in s. 290(3) inserted (1.4.2013) by The Financial Services and Markets Act 2000 (Over the Counter Derivatives, Central Counterparties and Trade Repositories) Regulations 2013 (S.I. 2013/504), regs. 1(2), **3(7)(c)** (with regs. 52-58)

F2072 Words in s. 290(3) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 6(5)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2073 S. 290(4A)(4B) inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **2(15)(c)** (with regs. 7(4), 9(1))

F2074 Words in s. 290(5) inserted (1.4.2013) by The Financial Services and Markets Act 2000 (Over the Counter Derivatives, Central Counterparties and Trade Repositories) Regulations 2013 (S.I. 2013/504), regs. 1(2), **3(7)(d)** (with regs. 52-58)

F2075 S. 290(5A) inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **2(15)(d)** (with regs. 7(4), 9(1))

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F2076 S. 290(6) omitted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by virtue of Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 6(6)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2077 S. 290(7) inserted (1.4.2013) by The Financial Services and Markets Act 2000 (Over the Counter Derivatives, Central Counterparties and Trade Repositories) Regulations 2013 (S.I. 2013/504), regs. 1(2), **3(7)(e)** (with regs. 52-58)

Commencement Information

I59 S. 290 wholly in force at 1.12.2001; s. 290 not in force at Royal Assent see s. 431(2); s. 290 in force for specified purposes at 3.9.2001 by S.I. 2001/2632, art. 2(2), **Sch. Pt. 2**; s. 290 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**

[F2078 290ZA Variation of central counterparty recognition order

(1) On an application made to it in accordance with Article 15 of the EMIR regulation, the Bank of England may in accordance with Article 17 of that regulation vary a central counterparty recognition order by specifying an additional service or activity or class of financial instruments.

(2) Where Article 20(5) of the EMIR regulation applies, the Bank of England may vary a central counterparty recognition order by removing a service or activity or class of financial instruments from those specified in the order.

(3) The Bank of England may at any time vary a central counterparty recognition order for the purpose of correcting an error in, or omission from, the order.]

Textual Amendments

F2078 S. 290ZA inserted (1.4.2013) by The Financial Services and Markets Act 2000 (Over the Counter Derivatives, Central Counterparties and Trade Repositories) Regulations 2013 (S.I. 2013/504), regs. 1(2), **3(8)** (with regs. 52-58)

[F2079 290ZB Variation of CSD recognition order

(1) Where the Bank of England—

(a) grants an authorisation in accordance with Article 19(1), 54 or 56 of the CSD regulation,

(b) receives a notification under Article 19 of that regulation, or

(c) decides to withdraw authorisation for a service, activity or financial instrument in accordance with Article 20(4) or 57(4) of that regulation,

the Bank of England must vary the CSD recognition order accordingly.

(2) Where an authorisation to provide investment services and activities in addition to the services explicitly listed in Sections A and B of the Annex to the CSD regulation is granted, varied or withdrawn, the Bank of England must vary the CSD recognition order accordingly.

(3) The Bank of England may at any time vary a CSD recognition order for the purpose of correcting an error in, or omission from, the order.]

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Textual Amendments

F2079 S. 290ZB inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **2(16)** (with regs. 7(4), 9(1))

[F2080 290A Refusal of recognition on ground of excessive regulatory provision

(1) [F2081 The appropriate regulator must] not make a recognition order if it appears to [F2082 it that] an existing or proposed regulatory provision of the applicant in connection with—

(a) the applicant's business as an investment exchange, F2083 ...

(b) the provision by the applicant of clearing services, [F2084 or

(c) the provision by the applicant of services falling within section 285(2)(b) or (3)(b),]

imposes or will impose an excessive requirement on the persons affected (directly or indirectly) by it.

(2) The reference in section 290(1) (making of recognition order) to satisfying the applicable recognition requirements shall be read accordingly.

(3) Expressions used in subsection (1) above that are defined for the purposes of section 300A (power of [F2085 appropriate regulator] to disallow excessive regulatory provision) have the same meaning as in that section.

(4) The provisions of section 300A(3) and (4) (determination whether regulatory provision excessive) apply for the purposes of this section as for the purposes of section 300A.

(5) Section 298 has effect in relation to a decision under this section to refuse a recognition order—

(a) as it has effect in relation to a decision to revoke such an order, and

(b) as if references to a recognised body were references to the applicant.

[F2086 (6) This section does not apply to an application for recognition as an overseas investment exchange, an overseas clearing house [F2087, a recognised central counterparty or a recognised CSD].]]

Textual Amendments

F2080 S. 290A inserted (20.12.2006) by Investment Exchanges and Clearing Houses Act 2006 (c. 55), **ss. 4**, 5(2)

F2081 Words in s. 290A(1) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 7(2)(a)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2082 Words in s. 290A(1) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 7(2)(b)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2083 Word in s. 290A(1)(a) omitted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by virtue of Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 7(2)(c)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

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F2084 S. 290A(1)(c) and word inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 7(2)(d)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2085 Words in s. 290A(3) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 7(3)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2086 S. 290A(6) substituted (1.4.2013) by The Financial Services and Markets Act 2000 (Over the Counter Derivatives, Central Counterparties and Trade Repositories) Regulations 2013 (S.I. 2013/504), regs. 1(2), **3(9)** (with regs. 52-58)

F2087 Words in s. 290A(6) substituted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **2(17)** (with regs. 7(4), 9(1))

291 Liability in relation to recognised body's regulatory functions.

(1) A recognised body and its officers and staff are not to be liable in damages for anything done or omitted in the discharge of the recognised body's regulatory functions unless it is shown that the act or omission was in bad faith.

(2) But subsection (1) does not prevent an award of damages made in respect of an act or omission on the ground that the act or omission was unlawful as a result of section 6(1) of the [M23]Human Rights Act 1998.

(3) "Regulatory functions" means the functions of the recognised body so far as relating to, or to matters arising out of, the obligations to which the body is subject under or by virtue of this Act.

Modifications etc. (not altering text)

C1045 S. 291 modified (22.2.2008) by The Northern Rock plc Transfer Order 2008 (S.I. 2008/432), **art. 20**

C1046 S. 291 modified (29.9.2008 at 8.00 a.m.) by The Bradford & Bingley plc Transfer of Securities and Property etc. Order 2008 (S.I. 2008/2546), **art. 39**

Marginal Citations

M23 1998 c. 42.

[F2088]292 Overseas investment exchanges and overseas clearing houses.

(1) An application under section 287 or **[**[F2089]288(1A)**]** by an overseas applicant must contain the address of a place in the United Kingdom for the service on the applicant of notices or other documents required or authorised to be served on it under this Act.

(2) If it appears to **[**[F2090]the appropriate regulator**]** that an overseas applicant satisfies the requirements of subsection (3) it may make a recognition order declaring the applicant to be—

(a) a recognised investment exchange;

(b) a recognised clearing house **[**[F2091]which is not a central counterparty**]**.

(3) The requirements are that—

[[F2092](a) investors are afforded protection equivalent to that which they would be afforded if the body concerned were required to comply with—

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(i) recognition requirements, other than any such requirements which are expressed in regulations under section 286 not to apply for the purposes of this paragraph, and

(ii) **[**F2093requirements contained in any of the following—

(aa) any EU regulation, originally made under the markets in financial instruments directive, which is **[**F2094assimilated direct**]** legislation;

(bb) any EU regulation, originally made under the markets in financial instruments regulation, which is **[**F2095assimilated direct**]** legislation;

(cc) any subordinate legislation (within the meaning of the Interpretation Act 1978) made under the markets in financial instruments regulation on or after IP completion day;**]]**

(b) there are adequate procedures for dealing with a person who is unable, or likely to become unable, to meet his obligations in respect of one or more market contracts connected with the investment exchange or clearing house;

(c) the applicant is able and willing to co-operate with **[**F2096the appropriate regulator**]** by the sharing of information and in other ways;

(d) adequate arrangements exist for co-operation between **[**F2097the appropriate regulator**]** and those responsible for the supervision of the applicant in the country or territory in which the applicant's head office is situated.

(4) In considering whether it is satisfied as to the requirements mentioned in subsection (3)(a) and (b), **[**F2098the appropriate regulator**]** is to have regard to—

(a) the relevant law and practice of the country or territory in which the applicant's head office is situated;

(b) the rules and practices of the applicant.

(5) In relation to an overseas applicant and a body or association declared to be a recognised investment exchange or recognised clearing house by a recognition order made by virtue of subsection (2)—

(a) the reference in section 313(2) to recognition requirements is to be read as a reference to matters corresponding to the matters in respect of which provision is made in the recognition requirements;

(b) sections 296(1) and 297(2) have effect as if the requirements mentioned in section 296(1)(a) and section 297(2)(a) were those of subsection (3)(a), (b), and (c) of this section;

(c) section 297(2) has effect as if the grounds on which a recognition order may be revoked under that provision included the ground that in the opinion of **[**F2099the appropriate regulator**]** arrangements of the kind mentioned in subsection (3)(d) no longer exist.

[F2100(6) Where a recognised clearing house is F2101... recognised as a third country central counterparty, any previous recognition order under section 290(1)(c) or 292(2)(b) shall cease to be valid.**]**

Textual Amendments

F2088 S. 292 amendment to earlier affecting provision S.I. 2019/710, reg. 38 (31.12.2020) by The Financial Services and Economic and Monetary Policy (Consequential Amendments) (EU Exit) Regulations 2020 (S.I. 2020/1301), regs. 1, 3, **Sch. para. 43(k)**

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F2089 Word in s. 292(1) substituted (1.4.2013) by The Financial Services and Markets Act 2000 (Over the Counter Derivatives, Central Counterparties and Trade Repositories) Regulations 2013 (S.I. 2013/504), regs. 1(2), **3(10)(a)** (with regs. 52-58)

F2090 Words in s. 292(2) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 8** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2091 Words in s. 292(2)(b) inserted (1.4.2013) by The Financial Services and Markets Act 2000 (Over the Counter Derivatives, Central Counterparties and Trade Repositories) Regulations 2013 (S.I. 2013/504), regs. 1(2), **3(10)(b)** (with regs. 52-58)

F2092 S. 292(3)(a) substituted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 2 para. 32** (with reg. 7)

F2093 S. 292(3)(a)(ii) substituted (31.12.2020) by The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(3), **5(8)** (as amended by S.I. 2020/1301, regs. 1, 3, **Sch. para. 37(b)**) (with savings in S.I. 2019/680, **reg. 11**); 2020 c. 1, **Sch. 5 para. 1(1)**

F2094 Words in s. 292(3)(a)(ii)(aa) substituted (1.1.2024) by The Retained EU Law (Revocation and Reform) Act 2023 (Consequential Amendment) Regulations 2023 (S.I. 2023/1424), reg. 1(2), **Sch. para. 44(4)(o)**

F2095 Words in s. 292(3)(a)(ii)(bb) substituted (1.1.2024) by The Retained EU Law (Revocation and Reform) Act 2023 (Consequential Amendment) Regulations 2023 (S.I. 2023/1424), reg. 1(2), **Sch. para. 44(4)(o)**

F2096 Words in s. 292(3)(c) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 8** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2097 Words in s. 292(3)(d) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 8** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2098 Words in s. 292(4) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 8** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2099 Words in s. 292(5)(c) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 8** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2100 S. 292(6) inserted (1.4.2013) by The Financial Services and Markets Act 2000 (Over the Counter Derivatives, Central Counterparties and Trade Repositories) Regulations 2013 (S.I. 2013/504), regs. 1(2), **3(10)(c)** (with regs. 52-58)

F2101 Words in s. 292(6) omitted (31.12.2020) by virtue of The Central Counterparties (Amendment, etc., and Transitional Provision) (EU Exit) Regulations 2018 (S.I. 2018/1184), regs. 1(2), **4** (with arts. 11-20) (as amended by: S.I. 2019/405, reg. 8; S.I. 2020/56, reg. 7; and S.I. 2020/646, reg. 4; and with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

Modifications etc. (not altering text)

C1047 S. 292 excluded in part (30.12.2020) by The Financial Services (Miscellaneous) (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/710), regs. 1(2), **38** (as amended by S.I. 2020/1301, regs. 1, 3, **Sch. para. 43(k)**); 2020 c. 1, **Sch. 5 para. 1(1)**

Commencement Information

I60 S. 292 wholly in force at 1.12.2001; s. 292 not in force at Royal Assent see s. 431(2); s. 292(1) in force and s. 292(2)-(5) in force specified purposes at 3.9.2001 by S.I. 2001/2632, art. 2(2), **Sch. Pt. 2**; s. 292 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**

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[F2102 Publication of information by recognised investment exchange

Textual Amendments

F2102 S. 292A and cross-heading inserted (1.4.2007 for certain purposes and 1.11.2007 otherwise) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2007 (S.I. 2007/126), regs. 1(2), 3(2), **Sch. 2 para. 5**

292A Publication of information by recognised investment exchange

(1) A recognised investment exchange must as soon as practicable after a recognition order is made in respect of it publish such particulars of the ownership of the exchange as the **[**F2103FCA**]** may reasonably require.

(2) The particulars published under subsection (1) must include particulars of the identity and scale of interests of the persons who are in a position to exercise significant influence over the management of the exchange, whether directly or indirectly.

(3) If an ownership transfer takes place in relation to a recognised investment exchange, the exchange must as soon as practicable after becoming aware of the transfer publish such particulars relating to the transfer as the **[**F2104FCA**]** may reasonably require.

(4) "Ownership transfer", in relation to an exchange, means a transfer of ownership which gives rise to a change in the persons who are in a position to exercise significant influence over the management of the exchange, whether directly or indirectly.

(5) A recognised investment exchange must publish such particulars of any decision it makes to suspend or remove a financial instrument from trading on a regulated market operated by it as the **[**F2105FCA**]** may reasonably require.

(6) The **[**F2106FCA**]** may determine the manner of publication under subsections (1), (3) and (5) and the timing of publication under subsection (5).

(7) This section does not apply to an overseas investment exchange.**]**

Textual Amendments

F2103 Word in s. 292A(1) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 9** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2104 Word in s. 292A(3) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 9** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2105 Word in s. 292A(5) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 9** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2106 Word in s. 292A(6) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 9** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

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Supervision

293 Notification requirements.

(1) The **[**F2107appropriate regulator**]** may make rules requiring a recognised body to give it—

(a) notice of such events relating to the body as may be specified; and

(b) such information in respect of those events as may be specified.

(2) The rules may also require a recognised body to give the **[**F2107appropriate regulator**]**, at such times or in respect of such periods as may be specified, such information relating to the body as may be specified.

(3) An obligation imposed by the rules extends only to a notice or information which the **[**F2107appropriate regulator**]** may reasonably require for the exercise of its functions under this Act **[**F2108or **[**F2109for the purposes of**]**Directive 2016/1148/EU of the European Parliament and of the Council of 6 July 2016 concerning measures for a high common level of security network and information systems across the Union**][**F2110as that directive had effect immediately before IP completion day**]**.

(4) The rules may require information to be given in a specified form and to be verified in a specified manner.

(5) If a recognised body—

(a) alters or revokes any of its rules or guidance, or

(b) makes new rules or issues new guidance,

it must give written notice to the **[**F2111appropriate regulator**]** without delay.

[F2112(5A) In relation to a recognised CSD, in subsection (5), "guidance" means guidance issued, or any recommendation made, in writing or other legible form and intended to have continuing effect, by the recognised CSD to—

(a) all or any class of its members, or

(b) persons using or seeking to use its services,

with respect to any of the services or activities specified in its recognition order.**]**

(6) If a recognised investment exchange makes a change—

(a) in the arrangements it makes for the provision **[**F2113by another person**]** of clearing services in respect of transactions effected on the exchange, or

(b) in the criteria which it applies when determining to whom it will provide **[**F2114services falling within section 285(2)(b)**]**,

it must give written notice to **[**F2115the FCA and the Bank of England**]** without delay.

(7) If a recognised clearing house makes a change—

(a) in the recognised investment exchanges for whom it provides clearing services **[**F2116or services falling within section 285(3)(b)**]**, or

(b) in the criteria which it applies when determining to whom (other than recognised investment exchanges) it will provide clearing services **[**F2117or services falling within section 285(3)(b)**]**,

it must give written notice to **[**F2118the Bank of England and the FCA**]** without delay.

[F2119(7A) In subsections (1) and (2), "recognised body" includes **[**F2120a third country CSD, in relation to any services referred to in the Annex to the CSD regulation which the

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third country CSD provides in the United Kingdom**]**[F2121and a third country central counterparty**]**.**]**

(8) Subsections (5) to (7) do not apply to an overseas investment exchange **[**[F2122], an overseas clearing house or a third country central counterparty**]**.

(9) "Specified" means specified in **[**[F2123]the appropriate regulator's**]** rules.

Textual Amendments

F2107 Words in s. 293(1)-(3) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 10(2)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2108 Words in s. 293(3) inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **2(18)(a)** (with regs. 7(4), 9(1))

F2109 Words in s. 293(3) substituted (27.2.2018) by The Financial Services and Markets Act 2000 (Benchmarks) Regulations 2018 (S.I. 2018/135), regs. 1(2), **67**

F2110 Words in s. 293(3) inserted (31.12.2020) by The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(3), **5(9)(a)** (with savings in S.I. 2019/680, reg. 11) (as amended by S.I. 2020/1301, regs. 1, 3, Sch. para. 37(b)); 2020 c. 1, Sch. 5 para. 1(1)

F2111 Words in s. 293(5) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 10(2)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2112 S. 293(5A) inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **2(18)(b)** (with regs. 7(4), 9(1))

F2113 Words in s. 293(6)(a) inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 10(3)(a)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2114 Words in s. 293(6)(b) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 10(3)(b)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2115 Words in s. 293(6) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 10(3)(c)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2116 Words in s. 293(7)(a) inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 10(4)(a)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2117 Words in s. 293(7)(b) inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 10(4)(b)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2118 Words in s. 293(7) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 10(4)(c)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2119 S. 293(7A) inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **2(18)(c)** (with regs. 7(4), 9(1))

F2120 Words in s. 293(3) inserted (31.12.2020) by The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(3), **5(9)(a)** (as amended by S.I. 2020/1301, regs. 1, 3, **Sch. para. 37(b)**) (with savings in S.I. 2019/680, **reg. 11**); 2020 c. 1, **Sch. 5 para. 1(1)**

F2121 Words in s. 293(7A) inserted (1.1.2024 at 1.00 a.m.) by Financial Services and Markets Act 2023 (c. 29), **ss. 9(5)(a)**, 86(3); S.I. 2023/1382, reg. 10(a)

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F2122 Words in s. 293(8) substituted (1.1.2024 at 1.00 a.m.) by Financial Services and Markets Act 2023 (c. 29), **ss. 9(5)(b)**, 86(3); S.I. 2023/1382, reg. 10(a)

F2123 Words in s. 293(9) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 10(5)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

Commencement Information

I61 S. 293 wholly in force at 1.12.2001; s. 293 not in force at Royal Assent see s. 431(2); s. 293 in force for specified purposes at 18.6.2001 by S.I. 2001/1820, art. 2, **Sch.**; s. 293 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**

[F2124 293A Information: compliance with [F2125 specified] requirements

[F2126(1)**]** The appropriate regulator may require a recognised body to give the appropriate regulator such information as the appropriate regulator reasonably requires in order to satisfy itself that the body is complying with any **[**F2127qualifying provision**]** that is specified, or of a description specified, for the purposes of this section by the Treasury by order.

[F2128(2) The Bank of England may require **[**F2129a third country CSD**]** which provides any services referred to in the Annex to the CSD regulation in the United Kingdom to give the Bank reports on those services and statistical information relating to those services, at such times or in respect of such periods as may be specified by the Bank.

(3) A requirement under subsection (2) extends only to information which the Bank may reasonably require for the exercise of its functions under the CSD regulation or **[**F2130, any EU regulation originally made under the CSD regulation which is **[**F2131assimilated direct**]** legislation, or any subordinate legislation (within the meaning of the Interpretation Act 1978) made under the CSD regulation on or after IP completion day**].]]**

Textual Amendments

F2124 S. 293A substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 11** (with Sch. 20); S.I. 2013/113, art. 2(1)(b)(c), Sch. Pts. 2, 3; S.I. 2013/423, art. 3, Sch.

F2125 Word in s. 293A heading substituted (31.12.2020) by The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(3), **5(10)(a)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F2126 S. 293A(1): s. 293A renumbered as s. 293A(1) (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **2(19)(a)** (with regs. 7(4), 9(1))

F2127 Words in s. 293A(1) substituted (31.12.2020) by The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(3), **5(10)(b)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F2128 S. 293A(2)(3) inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **2(19)(b)** (with regs. 7(4), 9(1))

F2129 Words in s. 293A(2) substituted (31.12.2020) by The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(3), **5(10)(c)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F2130 Words in s. 293A(3) substituted (31.12.2020) by The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(3),

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5(10)(d) (as amended by S.I. 2020/1301, regs. 1, 3, **Sch. para. 37(b)**) (with savings in S.I. 2019/680, **reg. 11**); 2020 c. 1, **Sch. 5 para. 1(1)**

F2131 Words in s. 293A(3) substituted (1.1.2024) by The Retained EU Law (Revocation and Reform) Act 2023 (Consequential Amendment) Regulations 2023 (S.I. 2023/1424), reg. 1(2), **Sch. para. 44(4)(p)**

294 Modification or waiver of rules.

(1) The **[**F2132appropriate regulator**]** may, on the application or with the consent of a recognised body, direct that rules made under section 293 or 295—

(a) are not to apply to the body; or

(b) are to apply to the body with such modifications as may be specified in the direction.

(2) An application must be made in such manner as the **[**F2133appropriate regulator**]** may direct.

(3) Subsections (4) to (6) apply to a direction given under subsection (1).

(4) The **[**F2134appropriate regulator**]** may not give a direction unless it is satisfied that—

(a) compliance by the recognised body with the rules, or with the rules as unmodified, would be unduly burdensome or would not achieve the purpose for which the rules were made; and

(b) the direction would not result in undue risk to persons whose interests the rules are intended to protect.

(5) A direction may be given subject to conditions.

(6) The **[**F2135appropriate regulator**]** may—

(a) revoke a direction; or

(b) vary it on the application, or with the consent, of the recognised body to which it relates.

[F2136(7) In this section, "recognised body", in relation to rules made under section 293, includes **[**F2137a third country CSD**]**.**]**

Textual Amendments

F2132 Words in s. 294(1) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 12** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2133 Words in s. 294(2) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 12** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2134 Words in s. 294(4) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 12** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2135 Words in s. 294(6) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 12** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2136 S. 294(7) inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **2(20)** (with regs. 7(4), 9(1))

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F2137 Words in s. 294(7) substituted (31.12.2020) by The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(3), **5(11)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

Modifications etc. (not altering text)

C1048 S. 294 amended (*temp.* from 3.9.2001 to 1.12.2001) by S.I. 2001/2659, **arts. 1(2)**, 3(10); S.I. 2001/3538, **art. 2(1)**

Commencement Information

I62 S. 294 wholly in force at 3.9.2001; s. 294 not in force at Royal Assent see s. 431(2); s. 294(2) in force for specified purposes at 18.6.2001 by S.I. 2001/1820, art. 2, **Sch.**; s. 294 in force in so far as not already in force at 3.9.2001 by S.I. 2001/2632, **art. 2 Sch. Pt. 2**

295 Notification: overseas investment exchanges and overseas clearing houses.

(1) At least once a year, every overseas investment exchange and overseas clearing house must provide **[**[F2138]the appropriate regulator**]** with a report.

(2) The report must contain a statement as to whether any events have occurred which are **[**[F2139]likely to affect the appropriate regulator's assessment of whether it is satisfied as to the requirements set out in section 292(3)**]**.

(3) The report must also contain such information as may be specified in rules made by **[**[F2140]the appropriate regulator**]**.

[F2141](4) . . . . . .

Textual Amendments

F2138 Words in s. 295(1) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 13(2)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2139 Words in s. 295(2) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 13(3)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2140 Words in s. 295(3) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 13(4)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2141 S. 295(4) omitted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by virtue of Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 13(5)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

Commencement Information

I63 S. 295 wholly in force at 1.12.2001; s. 295 not in force at Royal Assent see s. 431(2); s. 295 in force for specified purposes at 18.6.2001 by S.I. 2001/1820, art. 2, **Sch.**; s. 295 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**

[F2142]295A On-site inspection of [F2143]United Kingdom branches of third country] CSDs

(1) For the purposes of **[**[F2144]Article 25(11) of the CSD regulation**]**, the Bank of England may, on giving reasonable notice and at any reasonable time, carry out an on-site

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inspection of any branch maintained by **[**F2145a third country CSD**]** in the United Kingdom.

F2146(2) . . . . . .

(3) The Bank of England's power under subsection (1) is enforceable, on the application of the Bank of England, by an injunction or, in Scotland, by an order for specific performance under section 45 of the Court of Session Act 1988.**]**

Textual Amendments

F2142 S. 295A inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **2(21)** (with regs. 7(4), 9(1))

F2143 Words in s. 295A heading substituted (31.12.2020) by The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(3), **5(12)(a)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F2144 Words in s. 295A(1) substituted (31.12.2020) by The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(3), **5(12)(b)(i)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F2145 Words in s. 295A(1) substituted (31.12.2020) by The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(3), **5(12)(b)(ii)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F2146 S. 295A(2) omitted (31.12.2020) by virtue of The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(3), **5(12)(c)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

296 **[**F2147**Appropriate regulator's] power to give directions.**

(1) This section applies if it appears to **[**F2148the appropriate regulator**]** that a recognised body—

(a) has failed, or is likely to fail, to satisfy the recognition requirements; or

(b) has failed to comply with any other obligation imposed on it by or under this Act.

[F2149(1A) This section also applies **[**F2150if it appears to the appropriate regulator that a recognised body**]** has failed, or is likely to fail, to comply with any obligation imposed on it by **[**F2151or under**][**F2152any qualifying provision**]** specified (or of a description specified) **[**F2153for the purposes of this subsection**]** in an order made by the Treasury.**]**

F2154(1B) . . . . . .

[F2155(1C) This section also applies if it appears to the Bank of England that a Tier 2 third country central counterparty has failed to comply with an obligation imposed on it by or under this Act, or by or under the EMIR regulation.**]**

(2) **[**F2156The regulator concerned**]** may direct **[**F2157the recognised body F2158...**]** to take specified steps for the purpose of securing the body's compliance with—

(a) the recognition requirements; or

(b) any obligation of the kind in question.

[F2159(2ZA) Where this section applies by virtue of subsection (1C), the Bank of England may direct the Tier 2 third country central counterparty to take specified steps for the purpose of securing compliance with the obligations referred to in that subsection.**]**

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[F2160(2A) In the case of **[**F2161a recognised body other than an overseas investment exchange or overseas clearing house**]**, those steps may include—

(a) the granting to **[**F2162the regulator concerned**]** of access to the premises of **[**F2163the body**]** for the purpose of inspecting—

(i) those premises; or

(ii) any documents on the premises which appear to **[**F2162the regulator concerned**]** to be relevant for the purpose mentioned in subsection (2);

(b) the suspension of the carrying on of any regulated activity by **[**F2164the body**]** for the period specified in the direction.**]**

F2165(2B) . . . . . .

[F2166(2C) In the case of a Tier 2 third country central counterparty, those steps may include—

(a) the granting to the Bank of England of access to any premises of the Tier 2 third country central counterparty for the purposes of inspecting—

(i) those premises; or

(ii) any documents on the premises which appear to the Bank of England to be relevant for the purposes mentioned in subsection (2ZA);

(b) the suspension for the period specified in the direction of the carrying on in the United Kingdom by the Tier 2 third country central counterparty of any activity in respect of which the third country central counterparty is exempt from the general prohibition.

(2D) The Bank of England may not inspect the premises or documents on the premises of a Tier 2 third country central counterparty without first informing the relevant third country competent authority, and inspections must be conducted in accordance with cooperation arrangements established under Article 25.7 of the EMIR regulation.

(2E) In subsection (2D), relevant third country competent authority means a regulatory authority of a country other than the United Kingdom which is responsible for the authorisation and supervision of central counterparties in its territory.**]**

(3) A direction under this section **[**F2167(except a direction made under subsection (2ZA))**]** is enforceable, on the application of **[**F2168the regulator concerned**]**, by an injunction or, in Scotland, by an order for specific performance under section 45 of the M24Court of Session Act 1988.

(4) The fact that a rule made by a recognised body has been altered in response to a direction given by **[**F2169an appropriate regulator**]** does not prevent it from being subsequently altered or revoked by the recognised body.

Textual Amendments

F2147 Words in s. 296 heading substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 14(8)** (with Sch. 20); S.I. 2013/113, art. 2(1)(b)(c), Sch. Pts. 2, 3; S.I. 2013/423, art. 3, Sch.

F2148 Words in s. 296(1) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 14(2)** (with Sch. 20); S.I. 2013/113, art. 2(1)(b)(c), Sch. Pts. 2, 3; S.I. 2013/423, art. 3, Sch.

F2149 S. 296(1A) inserted (1.4.2007 for certain purposes and 1.11.2007 otherwise) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2007 (S.I. 2007/126), regs. 1(2), 3(2), **Sch. 2 para. 7(a)**

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F2150 Words in s. 296(1A) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 14(3)(a)** (with Sch. 20); S.I. 2013/113, art. 2(1)(b)(c), Sch. Pts. 2, 3; S.I. 2013/423, art. 3, Sch.

F2151 Words in s. 296(1A) inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **2(22)(a)** (with regs. 7(4), 9(1))

F2152 Words in s. 296(1A) substituted (31.12.2020) by The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(3), **5(13)(a)(i)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F2153 Words in s. 296(1A) inserted (31.12.2020) by The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(3), **5(13)(a)(ii)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F2154 S. 296(1B) omitted (31.12.2020) by virtue of The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(3), **5(13)(b)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F2155 S. 296(1C) inserted (31.12.2020) by The Over the Counter Derivatives, Central Counterparties and Trade Repositories (Amendment, etc., and Transitional Provision) (EU Exit) Regulations 2020 (S.I. 2020/646), regs. 1(3), **2(3)(a)** (with savings in S.I. 2019/680, reg. 11 as amended by S.I. 2020/646, reg. 12)

F2156 Words in s. 296(2) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 14(4)** (with Sch. 20); S.I. 2013/113, art. 2(1)(b)(c), Sch. Pts. 2, 3; S.I. 2013/423, art. 3, Sch.

F2157 Words in s. 296(2) substituted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **2(22)(c)** (with regs. 7(4), 9(1))

F2158 Words in s. 296(2) omitted (31.12.2020) by virtue of The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(3), **5(13)(c)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F2159 S. 296(2ZA) inserted (31.12.2020) by The Over the Counter Derivatives, Central Counterparties and Trade Repositories (Amendment, etc., and Transitional Provision) (EU Exit) Regulations 2020 (S.I. 2020/646), regs. 1(3), **2(3)(b)** (with savings in S.I. 2019/680, reg. 11 as amended by S.I. 2020/646, reg. 12)

F2160 S. 296(2A) inserted (1.4.2007 for certain purposes and 1.11.2007 otherwise) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2007 (S.I. 2007/126), regs. 1(2), 3(2), **Sch. 2 para. 7(b)**

F2161 Words in s. 296(2A) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 14(5)(a)** (with Sch. 20); S.I. 2013/113, art. 2(1)(b)(c), Sch. Pts. 2, 3; S.I. 2013/423, art. 3, Sch.

F2162 Words in s. 296(2A)(a) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 14(5)(b)(i)** (with Sch. 20); S.I. 2013/113, art. 2(1)(b)(c), Sch. Pts. 2, 3; S.I. 2013/423, art. 3, Sch.

F2163 Words in s. 296(2A)(a) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 14(5)(b)(ii)** (with Sch. 20); S.I. 2013/113, art. 2(1)(b)(c), Sch. Pts. 2, 3; S.I. 2013/423, art. 3, Sch.

F2164 Words in s. 296(2A)(b) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 14(5)(c)** (with Sch. 20); S.I. 2013/113, art. 2(1)(b)(c), Sch. Pts. 2, 3; S.I. 2013/423, art. 3, Sch.

F2165 S. 296(2B) omitted (31.12.2020) by virtue of The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(3), **5(13)(d)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F2166 S. 296(2C)-(2E) inserted (31.12.2020) by The Over the Counter Derivatives, Central Counterparties and Trade Repositories (Amendment, etc., and Transitional Provision) (EU Exit) Regulations 2020 (S.I. 2020/646), regs. 1(3), **2(3)(c)** (with savings in S.I. 2019/680, reg. 11 as amended by S.I. 2020/646, reg. 12)

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F2167 Words in s. 296(3) inserted (31.12.2020) by The Over the Counter Derivatives, Central Counterparties and Trade Repositories (Amendment, etc., and Transitional Provision) (EU Exit) Regulations 2020 (S.I. 2020/646), regs. 1(3), **2(3)(d)** (with savings in S.I. 2019/680, reg. 11 as amended by S.I. 2020/646, reg. 12)

F2168 Words in s. 296(3) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 14(6)** (with Sch. 20); S.I. 2013/113, art. 2(1)(b)(c), Sch. Pts. 2, 3; S.I. 2013/423, art. 3, Sch.

F2169 Words in s. 296(4) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 14(7)** (with Sch. 20); S.I. 2013/113, art. 2(1)(b)(c), Sch. Pts. 2, 3; S.I. 2013/423, art. 3, Sch.

Modifications etc. (not altering text)

C1049 S. 296 amended (*temp.* from 3.9.2001 to 1.12.2001) by S.I. 2001/2659, **arts. 1(2)**, 3(11); S.I. 2001/3538, **art. 2(1)**

C1050 S. 296 applied by 1989 c. 40, s. 169(2A) (as inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **3(15)(a)** (with regs. 7(4), 9(1)))

Marginal Citations

M24 1988 c. 36.

[F2170 296A Additional power to direct [F2171 recognised central counterparties]

(1) The Bank of England may direct a **[**F2172 recognised central counterparty**]** to take, or refrain from taking, specified action if the Bank is satisfied that it is necessary to give the direction, having regard to the public interest in—

(a) protecting and enhancing the stability of the UK financial system,

(b) maintaining public confidence in the stability of the UK financial system,

(c) maintaining the continuity of the F2173 ... clearing services provided by the **[**F2174 recognised central counterparty**]**, and

(d) maintaining and enhancing the financial resilience of the **[**F2174 recognised central counterparty**]**.

(2) The direction may, in particular—

(a) specify the time for compliance with the direction,

(b) require the rules of the **[**F2174 recognised central counterparty**]** to be amended, and

(c) override such rules (whether generally or in their application to a particular case).

(3) The direction may not require the **[**F2174 recognised central counterparty**]**—

(a) to take any steps for the purpose of securing its compliance with—

(i) the recognition requirements, or

(ii) any obligation of a kind mentioned in section 296(1)(b) or (1A), or

(b) to accept a transfer of property, rights or liabilities of another **[**F2174 recognised central counterparty**]**.

(4) If the direction is given in reliance on section 298(7) the Bank must, within a reasonable time of giving the direction, give the **[**F2174 recognised central counterparty**]** a statement of its reasons—

(a) for giving the direction, and

(b) for relying on section 298(7).

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(5) The direction is enforceable, on the application of the Bank, by an injunction or, in Scotland, by an order for specific performance under section 45 of the Court of Session Act 1988.

(6) The Bank may revoke a direction given under this section.**]**

Textual Amendments

F2170 S. 296A inserted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 31**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2171 Words in s. 296A heading substituted (1.4.2013) by The Financial Services and Markets Act 2000 (Over the Counter Derivatives, Central Counterparties and Trade Repositories) Regulations 2013 (S.I. 2013/504), **regs. 1(2)**, 3(11)(a) (with regs. 52-58)

F2172 Words in s. 296A(1) substituted (1.4.2013) by The Financial Services and Markets Act 2000 (Over the Counter Derivatives, Central Counterparties and Trade Repositories) Regulations 2013 (S.I. 2013/504), **regs. 1(2)**, 3(11)(b)(i) (with regs. 52-58)

F2173 Words in s. 296A(1)(c) omitted (1.4.2013) by The Financial Services and Markets Act 2000 (Over the Counter Derivatives, Central Counterparties and Trade Repositories) Regulations 2013 (S.I. 2013/504), **regs. 1(2)**, 3(11)(b)(ii) (with regs. 52-58)

F2174 Words in s. 296A(1)-(4) substituted (1.4.2013) by The Financial Services and Markets Act 2000 (Over the Counter Derivatives, Central Counterparties and Trade Repositories) Regulations 2013 (S.I. 2013/504), **regs. 1(2)**, 3(11)(c) (with regs. 52-58)

297 Revoking recognition.

(1) A recognition order **[**F2175in respect of a recognised investment exchange or in respect of a recognised clearing house which is not a recognised central counterparty**]** may be revoked by an order made by **[**F2176the appropriate regulator**]** at the request, or with the consent, of the recognised body concerned.

[F2177(1A) A central counterparty recognition order may be revoked by an order made by the Bank of England in accordance with Article 20 of the EMIR regulation.**]**

[F2178(1B) A CSD recognition order may be revoked by an order made by the Bank of England in accordance with Article 20 of the CSD regulation.**]**

(2) If it appears to **[**F2179the appropriate regulator**]** that a recognised body **[**F2180which is not a recognised central counterparty**][**F2181or a recognised CSD**]**—

(a) is failing, or has failed, to satisfy the recognition requirements, or

(b) is failing, or has failed, to comply with any other obligation imposed on it by or under this Act,

it may make an order revoking the recognition order for that body even though the body does not wish the order to be made.

[F2182(2A) If it appears to **[**F2183the appropriate regulator**]** that a recognised body **[**F2184which is not a recognised central counterparty**][**F2185or a recognised CSD**]**F2186...—

(a) has not carried on the business of an investment exchange **[**F2187or (as the case may be) of a clearing house**]** during the period of twelve months beginning with the day on which the recognition order took effect in relation to it,

(b) has not carried on the business of an investment exchange **[**F2188or (as the case may be) of a clearing house**]** at any time during the period of six months ending with the relevant day, or

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(c) has failed, or is likely to fail, to comply with any obligation imposed on it by **[**F2189any qualifying provision**]** specified (or of a description specified) **[**F2190for the purposes of this subsection**]** in an order made by the Treasury,

it may make an order revoking the recognition order for that body even though the body does not wish the order to be made.

(2B) The "relevant day", for the purposes of paragraph (b) of subsection (2A), is the day on which the power to make an order under that subsection is exercised.

(2C) Subsection (2A) does not apply to an overseas investment exchange **[**F2191or overseas clearing house**].]**

[F2192(2D) If it appears to the Bank of England that a recognised central counterparty **[**F2193or a recognised CSD**]** has failed, or is likely to fail, to comply with an obligation imposed on it by or under Article 4 or 15 of the SFT regulation it may make an order revoking the recognition order for that body even though the body does not wish the order to be made.**]**

(3) An order under this section ("a revocation order") must specify the date on which it is to take effect.

(4) In the case of a revocation order made under subsection (2) **[**F2194or (2A)**]**, the specified date must not be earlier than the end of the period of three months beginning with the day on which the order is made.

(5) A revocation order may contain such transitional provisions as **[**F2195the appropriate regulator**]** thinks necessary or expedient.

F2196(6) . . . . . .

Textual Amendments

F2175 Words in s. 297(1) inserted (1.4.2013) by The Financial Services and Markets Act 2000 (Over the Counter Derivatives, Central Counterparties and Trade Repositories) Regulations 2013 (S.I. 2013/504), regs. 1(2), **3(12)(a)** (with regs. 52-58)

F2176 Words in s. 297(1) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 15(2)** (with Sch. 20); S.I. 2013/113, art. 2(1)(b)(c), Sch. Pts. 2, 3; S.I. 2013/423, art. 3, Sch.

F2177 S. 297(1A) inserted (1.4.2013) by The Financial Services and Markets Act 2000 (Over the Counter Derivatives, Central Counterparties and Trade Repositories) Regulations 2013 (S.I. 2013/504), regs. 1(2), **3(12)(b)** (with regs. 52-58)

F2178 S. 297(1B) inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **2(23)(a)** (with regs. 7(4), 9(1))

F2179 Words in s. 297(2) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 15(2)** (with Sch. 20); S.I. 2013/113, art. 2(1)(b)(c), Sch. Pts. 2, 3; S.I. 2013/423, art. 3, Sch.

F2180 Words in s. 297(2) inserted (1.4.2013) by The Financial Services and Markets Act 2000 (Over the Counter Derivatives, Central Counterparties and Trade Repositories) Regulations 2013 (S.I. 2013/504), regs. 1(2), **3(12)(c)** (with regs. 52-58)

F2181 Words in s. 297(2) inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **2(23)(b)** (with regs. 7(4), 9(1))

F2182 S. 297(2A)-(2C) inserted (1.4.2007 for certain purposes and 1.11.2007 otherwise) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2007 (S.I. 2007/126), regs. 1(2), 3(2), **Sch. 2 para. 8(a)**

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F2183 Words in s. 297(2A) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 15(3)(a)(i)** (with Sch. 20); S.I. 2013/113, art. 2(1)(b)(c), Sch. Pts. 2, 3; S.I. 2013/423, art. 3, Sch.

F2184 Words in s. 297(2A) inserted (1.4.2013) by The Financial Services and Markets Act 2000 (Over the Counter Derivatives, Central Counterparties and Trade Repositories) Regulations 2013 (S.I. 2013/504), regs. 1(2), **3(12)(d)** (with regs. 52-58)

F2185 Words in s. 297(2A) inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **2(23)(b)** (with regs. 7(4), 9(1))

F2186 Words in s. 297(2A) omitted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by virtue of Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 15(3)(a)(ii)** (with Sch. 20); S.I. 2013/113, art. 2(1)(b)(c), Sch. Pts. 2, 3; S.I. 2013/423, art. 3, Sch.

F2187 Words in s. 297(2A)(a) inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 15(3)(b)** (with Sch. 20); S.I. 2013/113, art. 2(1)(b)(c), Sch. Pts. 2, 3; S.I. 2013/423, art. 3, Sch.

F2188 Words in s. 297(2A)(b) inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 15(3)(b)** (with Sch. 20); S.I. 2013/113, art. 2(1)(b)(c), Sch. Pts. 2, 3; S.I. 2013/423, art. 3, Sch.

F2189 Words in s. 297(2A)(c) substituted (31.12.2020) by The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(3), **5(14)(a)(i)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F2190 Words in s. 297(2A)(c) inserted (31.12.2020) by The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(3), **5(14)(a)(ii)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F2191 Words in s. 297(2C) inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 15(4)** (with Sch. 20); S.I. 2013/113, art. 2(1)(b)(c), Sch. Pts. 2, 3; S.I. 2013/423, art. 3, Sch.

F2192 S. 297(2D) inserted (13.7.2016) by The Financial Services and Markets Act 2000 (Transparency of Securities Financing Transactions and of Reuse) Regulations 2016 (S.I. 2016/715), reg. 1(2), **Sch. 1 para. 1(2)**

F2193 Words in s. 297(2D) inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **2(23)(b)** (with regs. 7(4), 9(1))

F2194 Words in s. 297(4) inserted (1.4.2007 for certain purposes and 1.11.2007 otherwise) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2007 (S.I. 2007/126), regs. 1(2), 3(2), **Sch. 2 para. 8(b)**

F2195 Words in s. 297(5) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 15(5)** (with Sch. 20); S.I. 2013/113, art. 2(1)(b)(c), Sch. Pts. 2, 3; S.I. 2013/423, art. 3, Sch.

F2196 S. 297(6) omitted (31.12.2020) by virtue of The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(3), **5(14)(b)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

Modifications etc. (not altering text)

C1051 S. 297 amended (*temp.* from 3.9.2001 to 1.12.2001) by S.I. 2001/2659, **arts. 1(2)**, 3(11); S.I. 2001/3538, **art. 2(1)**

298 Directions and revocation: procedure.

(1) Before giving a direction under section 296 **[**[F2197]or 296A**]**, or making a revocation order under section **[**[F2198]297(1B), (2),**][**[F2199](2A) or (2D)**]**, **[**[F2200]the appropriate regulator**]** must—

(a) give written notice of its intention to do so to the recognised body concerned;

[F2201](b) . . . . . .

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F2202(c) . . . . . .

(2) A notice under subsection (1) must—

(a) state why **[**F2203the appropriate regulator**]** intends to give the direction or make the order; and

(b) draw attention to the right to make representations conferred by subsection (3).

(3) Before the end of the period for making representations—

(a) the recognised body,

F2204(b) . . . . . .

F2205(c) . . . . . .

may make representations to **[**F2206the appropriate regulator**]**.

[F2207(4) The period for making representations is such period as is specified in the notice (which may, in any particular case, be extended by the appropriate regulator).**]**

(5) In deciding whether to—

(a) give a direction, or

(b) make a revocation order,

[F2208the appropriate regulator**]** must have regard to any representations made in accordance with subsection (3).

(6) When **[**F2209the appropriate regulator**]** has decided whether to give a direction under section 296 **[**F2210or 296A**]** or to make the proposed revocation order, it must—

(a) give the recognised body written notice of its decision; F2211... **[**F2212and

(aa) in the case of a direction under section 296 given to a recognised CSD F2213... or a revocation order under section 297(1B), give the recognised CSD F2213... reasons for its decision.**]**

F2211(b) . . . . . .

[F2214(6A) If the appropriate regulator—

(a) gives a direction under section 296 to a recognised body because it has failed, or is likely to fail, to comply with an obligation imposed on it by or under Article 4 or 15 of the SFT regulation;

[gives any other direction under section 296 to a recognised CSD;

F2215(aa)

F2216(ab) . . . . . .

(ac) makes a revocation order under section 297(1B);**]**

(b) makes a revocation order under section 297(2A)(c) because a recognised body has failed, or is likely to fail, to comply with an obligation imposed on it by or under Article 4 or 15 of the SFT regulation; or

(c) makes a revocation order under section 297(2D),

the body concerned may refer the matter to the Tribunal.**]**

(7) If **[**F2217the appropriate regulator**][**F2218reasonably considers it necessary**]** to do so, it may give a direction under section 296 **[**F2219or 296A**]**—

(a) without following the procedure set out in this section; or

(b) if **[**F2217the appropriate regulator**]** has begun to follow that procedure, regardless of whether the period for making representations has expired.

[F2220(7A) Subsection (7) does not apply in relation to a direction given to a recognised CSD F2221... under section 296.

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F2222(7B) . . . . . .]

(8) If [F2223the appropriate regulator] has, in relation to a particular matter, followed the procedure set out in subsections (1) to (5), it need not follow it again if, in relation to that matter, it decides to take action other than that specified in its notice under subsection (1).

F2224(9) . . . . . .

Textual Amendments

F2197 Words in s. 298(1) inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 16(a)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2198 Word in s. 298(1) substituted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **2(24)(a)** (with regs. 7(4), 9(1))

F2199 Words in s. 298(1) substituted (13.7.2016) by The Financial Services and Markets Act 2000 (Transparency of Securities Financing Transactions and of Reuse) Regulations 2016 (S.I. 2016/715), reg. 1(2), **Sch. 1 para. 1(3)(a)**

F2200 Words in s. 298(1) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 16(b)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2201 S. 298(1)(b) omitted (1.4.2013) by virtue of Financial Services Act 2012 (c. 21), **ss. 32(2)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2202 S. 298(1)(c) omitted (1.4.2013) by virtue of Financial Services Act 2012 (c. 21), **ss. 32(2)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2203 Words in s. 298(2)(a) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 16(b)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2204 S. 298(3)(b) omitted (1.4.2013) by virtue of Financial Services Act 2012 (c. 21), **ss. 32(3)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2205 S. 298(3)(c) omitted (1.4.2013) by virtue of Financial Services Act 2012 (c. 21), **ss. 32(3)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2206 Words in s. 298(3) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 16(b)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2207 S. 298(4) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 32(4)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2208 Words in s. 298(5) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 16(b)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2209 Words in s. 298(6) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 16(b)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2210 Words in s. 298(6) inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 16(a)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2211 S. 298(6)(b) and word omitted (1.4.2013) by virtue of Financial Services Act 2012 (c. 21), **ss. 32(5)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2212 S. 298(6)(aa) and word inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **2(24)(b)** (with regs. 7(4), 9(1))

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F2213 Words in s. 298(6)(aa) omitted (31.12.2020) by virtue of The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(3), **5(15)(a)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F2214 S. 298(6A) inserted (13.7.2016) by The Financial Services and Markets Act 2000 (Transparency of Securities Financing Transactions and of Reuse) Regulations 2016 (S.I. 2016/715), reg. 1(2), **Sch. 1 para. 1(3)(b)**

F2215 S. 298(6A)(aa)-(ac) inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **2(24)(c)** (with regs. 7(4), 9(1))

F2216 S. 298(6A)(ab) omitted (31.12.2020) by virtue of The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(3), **5(15)(b)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F2217 Words in s. 298(7) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 16(b)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2218 Words in s. 298(7) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 32(6)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2219 Words in s. 298(7) inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 16(a)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2220 S. 298(7A)(7B) inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **2(24)(d)** (with regs. 7(4), 9(1))

F2221 Words in s. 298(7A) omitted (31.12.2020) by virtue of The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(3), **5(15)(c)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F2222 S. 298(7B) omitted (31.12.2020) by virtue of The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(3), **5(15)(d)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F2223 Words in s. 298(8) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 16(b)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2224 S. 298(9) omitted (31.12.2020) by virtue of The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(3), **5(15)(e)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

Modifications etc. (not altering text)

C1052 S. 298 amended (*temp.* from 3.9.2001 to 1.12.2001) by S.I. 2001/2659, **arts. 1(2)**, 3(11); S.I. 2001/3538, **art. 2(1)**

C1053 S. 298 applied (with modifications) by 1998 c. 40, s. 170B(9) (as inserted (1.4.2013) by The Financial Services and Markets Act 2000 (Over the Counter Derivatives, Central Counterparties and Trade Repositories) Regulations 2013 (S.I. 2013/504), reg. 1(2), **s. 170B(9)** (with regs. 52-58))

C1054 S. 298 applied by S.I. 2014/2879, reg. 5M(4) (as inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **5(9)** (with regs. 7(4), 9(1)))

Commencement Information

I64 S. 298 wholly in force at 1.12.2001; s. 298 not in force at Royal Assent see s. 431(2); s. 298 in force for specified purposes at 3.9.2001 by S.I. 2001/2632, **art. 2 Sch. Pt. 2**; s. 298 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**

299 Complaints about recognised bodies.

(1) The **[**[F2225]appropriate regulator**]** must make arrangements for the investigation of any relevant complaint about a recognised body.

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(2) "Relevant complaint" means a complaint which the **[**F2226appropriate regulator**]** considers is relevant to the question of whether the body concerned should remain a recognised body.

Textual Amendments

F2225 Words in s. 299(1) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 17** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2226 Words in s. 299(2) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 17** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

300 Extension of functions of Tribunal.

(1) If the Treasury are satisfied that the condition mentioned in subsection (2) is satisfied, they may by order confer functions on the Tribunal with respect to disciplinary proceedings—

(a) of one or more investment exchanges in relation to which a recognition order under section 290 is in force or of such investment exchanges generally, F2227...

(b) of one or more clearing houses in relation to which a recognition order under that section is in force or of such clearing houses generally **[**F2228or

(c) of one or more central securities depositories in relation to which a recognition order under that section is in force or of such central securities depositories generally**]**.

(2) The condition is that it is desirable to exercise the power conferred under subsection (1) with a view to ensuring that—

(a) decisions taken in disciplinary proceedings with respect to which functions are to be conferred on the Tribunal are consistent with—

(i) decisions of the Tribunal in cases arising under Part VIII; and

(ii) decisions taken in other disciplinary proceedings with respect to which the Tribunal has functions as a result of an order under this section; or

(b) the disciplinary proceedings are in accordance with the Convention rights.

(3) An order under this section may modify or exclude any provision made by or under this Act with respect to proceedings before the Tribunal.

(4) "Disciplinary proceedings" means proceedings under the rules of an investment exchange **[**F2229, clearing house or central securities depository**]** in relation to **[**F2230a contravention of Article 14 (prohibition of insider dealing and of unlawful disclosure of inside information) or Article 15 (prohibition of market manipulation) of the market abuse regulation by a person subject to the rules**]**.

(5) "The Convention rights" has the meaning given in section 1 of the M25Human Rights Act 1998.

Status: *This version of this Act contains provisions that are prospective.*
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Textual Amendments

F2227 Word in s. 300(1)(a) omitted (28.11.2017) by virtue of The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **2(25)(a)(i)** (with regs. 7(4), 9(1))

F2228 S. 300(1)(c) and word inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **2(25)(a)(ii)** (with regs. 7(4), 9(1))

F2229 Words in s. 300(4) substituted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **2(25)(b)** (with regs. 7(4), 9(1))

F2230 Words in s. 300(4) substituted (3.7.2016) by The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **10(13)**

Marginal Citations

M25 1998 c. 42.

I[F2231 Power to disallow excessive regulatory provision

Textual Amendments

F2231 S. 300A and cross-heading inserted (20.12.2006) by Investment Exchanges and Clearing Houses Act 2006 (c. 55), **ss. 1**, 5(2) (with s. 5(3))

300A Power of [F2232 appropriate regulator] to disallow excessive regulatory provision

(1) This section applies where a recognised body proposes to make any regulatory provision in connection **[**F2233 with—

(a) its business as an investment exchange,

(b) the provision by it of clearing services, or

(c) the provision by it of services falling within section 285(2)(b) or (3)(b).**]**

(2) If it appears to the **[**F2234 appropriate regulator**]**—

(a) that the proposed provision will impose a requirement on persons affected (directly or indirectly) by it, and

(b) that the requirement is excessive,

the **[**F2234 appropriate regulator**]** may direct that the proposed provision must not be made.

(3) A requirement is excessive if—

(a) it is not required under F2235 ... any enactment or rule of law in the United Kingdom, and

(b) either—

(i) it is not justified as pursuing a reasonable regulatory objective, or

(ii) it is disproportionate to the end to be achieved.

(4) In considering whether a requirement is excessive the **[**F2236 appropriate regulator**]** must have regard to all the relevant circumstances, including—

(a) the effect of existing legal and other requirements,

(b) the global character of financial services and markets and the international mobility of activity,

(c) the desirability of facilitating innovation, and

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(d) the impact of the proposed provision on market confidence.

(5) In this section "requirement" includes any obligation or burden.

(6) Any provision made in contravention of a direction under this section is of no effect.**]**

Textual Amendments

F2232 Words in s. 300A heading substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 18(b)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2233 Words in s. 300A(1) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 18(a)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2234 Words in s. 300A(2) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 18(b)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2235 Words in s. 300A(3)(a) omitted (31.12.2020) by virtue of The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(3), **5(16)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F2236 Words in s. 300A(4) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 18(b)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

[F2237 300B Duty to notify proposal to make regulatory provision

(1) A recognised body that proposes to make any regulatory provision must give written notice of the proposal to the **[**F2238 appropriate regulator**]** without delay.

(2) The **[**F2238 appropriate regulator**]** may by rules under section 293 (notification requirements)—

(a) specify descriptions of regulatory provision in relation to which, or circumstances in which, the duty in subsection (1) above does not apply, or

(b) provide that the duty applies only to specified descriptions of regulatory provision or in specified circumstances.

(3) The **[**F2238 appropriate regulator**]** may also by rules under that section—

(a) make provision as to the form and contents of the notice required, and

(b) require the body to provide such information relating to the proposal as may be specified in the rules or as the **[**F2238 appropriate regulator**]** may reasonably require.

Textual Amendments

F2237 Ss. 300B-300E inserted (20.12.2006) by Investment Exchanges and Clearing Houses Act 2006 (c. 55), **ss. 2**, 3, 5(2) (with s. 5(3))

F2238 Words in s. 300B substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 19** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

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300C Restriction on making provision before [F2239appropriate regulator] decides whether to act

(1) Where notice of a proposal to make regulatory provision is required to be given to the **[**F2240appropriate regulator**]** under section 300B, the provision must not be made—

(a) before that notice is given, or

(b) subject to the following provisions of this section, before the end of the initial period.

(2) The initial period is—

(a) the period of 30 days beginning with the day on which the **[**F2241appropriate regulator**]** receives notice of the proposal, or

(b) if any consultation period announced by the body in relation to the proposal ends after that 30-day period, the end of the consultation period.

(3) If before the end of the initial period the **[**F2242appropriate regulator**]** notifies the body that it is calling in the proposal, the provisions of section 300D (consideration by **[**F2242appropriate regulator**]** whether to disallow proposed provision) apply as to when the provision may be made.

(4) If—

(a) before the end of the initial period the **[**F2243appropriate regulator**]** notifies the body that it is not calling in the proposal, or

(b) the initial period ends without the **[**F2244appropriate regulator**]** having notified the body that it is calling in the proposal,

the body may then make the proposed provision.

(5) Any provision made in contravention of this section is of no effect.

Textual Amendments

F2237 Ss. 300B-300E inserted (20.12.2006) by Investment Exchanges and Clearing Houses Act 2006 (c. 55), **ss. 2**, 3, 5(2) (with s. 5(3))

F2239 Words in s. 300C heading substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 20** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2240 Words in s. 300C(1) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 20** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2241 Words in s. 300C(2)(a) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 20** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2242 Words in s. 300C(3) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 20** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2243 Words in s. 300C(4)(a) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 20** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2244 Words in s. 300C(4)(b) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 20** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

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300D Consideration by [F2245appropriate regulator] whether to disallow proposed provision

(1) This section applies where the **[**F2246appropriate regulator**]** notifies a recognised body that it is calling in a proposal to make regulatory provision.

(2) The **[**F2246appropriate regulator**]** must publish a notice—

(a) giving details of the proposed provision,

(b) stating that it has called in the proposal in order to consider whether to disallow it, and

(c) specifying a period during which representations with respect to that question may be made to it.

(3) The **[**F2246appropriate regulator**]** may extend the period for making representations.

(4) The **[**F2246appropriate regulator**]** must notify the body of its decision whether to disallow the provision not later than 30 days after the end of the period for making representations, and must publish the decision and the reasons for it.

(5) The body must not make the provision unless and until—

(a) the **[**F2247appropriate regulator**]** notifies it of its decision not to disallow it, or

(b) the 30-day period specified in subsection (4) ends without the **[**F2248appropriate regulator**]** having notified any decision.

(6) If **[**F2249the appropriate regulator**]** notifies the body of its decision to disallow the provision and that decision is questioned in legal proceedings—

(a) the body must not make the provision until those proceedings, and any proceedings on appeal, are finally determined,

(b) if **[**F2250the appropriate regulator's**]** decision is quashed and the matter is remitted to it for reconsideration, the court may give directions as to the period within which **[**F2251the regulator concerned**]** is to complete its reconsideration, and

(c) the body must not make the provision until—

(i) **[**F2252the appropriate regulator**]** notifies it of its decision on reconsideration not to disallow the provision, or

(ii) the period specified by the court ends without **[**F2253the appropriate regulator**]** having notified any decision.

(7) Any provision made in contravention of subsection (5) or (6) is of no effect.

Textual Amendments

F2237 Ss. 300B-300E inserted (20.12.2006) by Investment Exchanges and Clearing Houses Act 2006 (c. 55), **ss. 2**, 3, 5(2) (with s. 5(3))

F2245 Words in s. 300D heading substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 21(4)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2246 Words in s. 300D(1)-(4) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 21(2)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2247 Words in s. 300D(5)(a) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 21(2)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

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F2248 Words in s. 300D(5)(b) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 21(2)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2249 Words in s. 300D(6) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 21(3)(a)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2250 Words in s. 300D(6)(b) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 21(3)(b)(i)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2251 Words in s. 300D(6)(b) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 21(3)(b)(ii)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2252 Words in s. 300D(6)(c)(i) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 21(3)(c)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2253 Words in s. 300D(6)(c)(ii) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 21(3)(c)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

300E Power to disallow excessive regulatory provision: supplementary

(1) In sections 300A to 300D—

(a) "regulatory provision" means any rule, guidance, arrangements, policy or practice, and

(b) references to making provision shall be read accordingly as including, as the case may require, issuing guidance, entering into arrangements or adopting a policy or practice.

(2) For the purposes of those sections a variation of a proposal is treated as a new proposal.

(3) Those sections do not apply to an overseas investment exchange **[**[F2254], overseas clearing house **[**[F2255], recognised central counterparty or recognised CSD**]].]**

Textual Amendments

F2237 Ss. 300B-300E inserted (20.12.2006) by Investment Exchanges and Clearing Houses Act 2006 (c. 55), **ss. 2**, 3, 5(2) (with s. 5(3))

F2254 Words in s. 300E(3) substituted (1.4.2013) by The Financial Services and Markets Act 2000 (Over the Counter Derivatives, Central Counterparties and Trade Repositories) Regulations 2013 (S.I. 2013/504), regs. 1(2), **3(13)** (with regs. 52-58)

F2255 Words in s. 300E(3) substituted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **2(26)** (with regs. 7(4), 9(1))

I[F2256 General rule-making powers

Textual Amendments

F2256 Ss. 300F, 300G and cross-heading inserted (1.1.2024 at 1.00 a.m.) by Financial Services and Markets Act 2023 (c. 29), **ss. 9(2)**, 86(3); S.I. 2023/1382, reg. 10(a)

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300F Rules relating to central counterparties and central securities depositories

(1) The Bank of England may make such rules applying to FMI entities—

(a) with respect to the carrying on by them of relevant regulated activities, or

(b) with respect to the carrying on by them of an activity which is not a relevant regulated activity,

as appear to the Bank to be necessary or expedient for the purpose of advancing its Financial Stability Objective.

(2) Each of the following is an "FMI entity" for the purposes of this section—

(a) a recognised central counterparty;

(b) a recognised CSD;

(c) a third country central counterparty;

(d) a third country CSD.

(3) The power to make rules under subsection (1), so far as applying to a third country central counterparty or a third country CSD, is subject to section 300G.

(4) In this section "relevant regulated activity"—

(a) in relation to a recognised central counterparty, means a regulated activity described in section 285(3A);

(b) in relation to a recognised CSD, means a regulated activity described in section 285(3D);

(c) in relation to a third country central counterparty, means a regulated activity described in section 285(3C);

(d) in relation to a third country CSD, means a regulated activity described in section 285(3G).

(5) Rules under this section may include—

(a) provision applying to an FMI entity even though there is no relationship between the entity to which the rules will apply and the persons whose interests will be protected by the rules;

(b) requirements which take into account, in the case of an FMI entity which is a member of a group, any activity of another member of the group.

300G Section 300F: rules in relation to overseas FMI entities

(1) The power to make rules under section 300F, so far as applying to an FMI entity of the kind mentioned in subsection (2)(c) or (d) of that section (an "overseas FMI entity"), is exercisable—

(a) only by the application of corresponding rules, and

(b) except in the case of systemic third country CCPs (see subsection (6)), only so far as authorised by regulations made by the Treasury.

(2) The reference in subsection (1)(a) to "corresponding rules" is—

(a) in relation to rules that would apply to a third country central counterparty, rules under section 300F that apply to a recognised central counterparty;

(b) in relation to rules that would apply to a third country CSD, rules under section 300F that apply to a recognised CSD.

(3) Rules may be applied in accordance with subsection (1)(a)—

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(a) by applying all corresponding rules or only such corresponding rules as the Bank considers appropriate;

(b) with such modifications as the Bank considers appropriate for the purpose of ensuring the effectiveness of the rules in their application to the overseas FMI entities concerned (having regard in particular to the establishment of such entities in countries other than the United Kingdom).

(4) Regulations under subsection (1)(b) may authorise the making of rules generally in respect of overseas FMI entities or only in respect of overseas FMI entities which—

(a) are specified or described in the regulations, or

(b) satisfy conditions specified in the regulations.

(5) Regulations under subsection (1)(b) may—

(a) provide for the power to make rules under section 300F, so far as applying to an overseas FMI entity, to be subject to such limitations or conditions as may be specified in the regulations;

(b) make provision by reference to matters to be determined by the Bank;

(c) provide for exemptions.

(6) The restriction imposed by subsection (1)(b) does not apply in the case of systemic third country CCPs (and accordingly references to overseas FMI entities in subsections (4) and (5) do not include references to systemic third country CCPs).

(7) A "systemic third country CCP" means any third country central counterparty that the Bank has determined is systemically important, or is likely to become systemically important, to the financial stability of the United Kingdom.

(8) The Bank must publish notice of any determination made under subsection (7).

(9) A determination under subsection (7) must be made in accordance with such criteria of general application as are set out in regulations made by the Treasury for the purposes of this section.

(10) In making a determination under subsection (7) the Bank must also have regard to any statement of policy prepared and published by the Bank for the purposes of providing further specification of the criteria of general application mentioned in subsection (9).

(11) The Bank—

(a) may alter or replace a statement of policy prepared for the purposes of this section;

(b) must publish a statement as altered or replaced.

(12) Publication under this section is to be made in such manner as the Bank considers best designed to bring the publication to the attention of the public.

(13) The Treasury must consult the Bank before making regulations under subsection (9).

(14) The Treasury may by regulations provide for other provisions of this Act to apply in relation to third country central counterparties, or third country CSDs, to which rules under section 300F apply, with such modifications as may be specified in the regulations.**]**

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[F2257 300H Rules relating to investment exchanges and data reporting service providers

(1) The FCA may make such rules applying to recognised UK investment exchanges or data reporting service providers—

(a) with respect to the carrying on by them of relevant activities, or

(b) with respect to the carrying on by them of an activity which is not a relevant activity,

as appear to the FCA to be necessary or expedient for the purpose of advancing one or more of its operational objectives.

(2) In this section "relevant activity"—

(a) in relation to a recognised UK investment exchange, means a regulated activity described in section 285(2);

(b) in relation to a data reporting service provider, means providing a data reporting service.

(3) Rules under this section may include—

(a) provision applying to a recognised UK investment exchange or data reporting service provider even though there is no relationship between that person and the persons whose interests will be protected by the rules;

(b) requirements which take into account, in the case of a recognised UK investment exchange or data reporting service provider which is a member of a group, any activity of another member of the group.

F2258(4) . . . . . .

(5) In this section—

"data reporting service" and "data reporting service provider" have the meanings given by regulation 2 of the **[**F2259Data Reporting Services Regulations 2024**]**;

"recognised UK investment exchange" means a recognised investment exchange that is not an overseas investment exchange as defined in section 313(1).**]**

Textual Amendments

F2257 S. 300H inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 11(2)**, 86(3); S.I. 2023/779, reg. 4(g)

F2258 S. 300H(4) repealed (1.1.2024) by Financial Services and Markets Act 2023 (c. 29), s. 86(3), **Sch. 1 Pt. 4** (with ss. 1(4), 7(4)); S.I. 2023/779, reg. 5(e)(v)

F2259 Words in s. 300H(5) substituted (5.4.2024) by The Data Reporting Services Regulations 2024 (S.I. 2024/107), regs. 1(2), **31**; S.I. 2023/1382, reg. 4(c)

[F2260 Bank of England rules

Textual Amendments

F2260 Ss. 300I-300M and cross-heading inserted (1.1.2024 at 1.00 a.m.) by Financial Services and Markets Act 2023 (c. 29), **ss. 49(2)**, 86(3); S.I. 2023/1382, reg. 10(e)

Status: *This version of this Act contains provisions that are prospective.*
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300I Duty of Bank of England to review rules

(1) The Bank of England must keep under review generally any rules made by the Bank under this Act.

(2) Subsection (1) does not apply to rules made for the purpose of complying with a recommendation of the Financial Policy Committee of the Bank of England under section 9O of the Bank of England Act 1998 (making of recommendations within the Bank).

300J Statement of policy relating to review of rules

(1) The Bank of England must prepare and publish a statement of policy with respect to its review of rules under section 300I.

(2) The statement must provide information about—

(a) how representations (including by a statutory panel) can be made to the Bank with respect to its review of rules under section 300I, and

(b) the arrangements to ensure that those representations are considered.

(3) In this section "statutory panel" has the meaning given by section 1RB(5).

(4) If a statement published under this section is altered or replaced, the Bank must publish the altered or replaced statement.

(5) A statement prepared under this section must be published by the Bank in the way appearing to the Bank to be best designed to bring it to the attention of the public.

300K Requirement to review specified rules

(1) The Treasury may by direction require the Bank of England to carry out a review of specified rules made by the Bank under this Act if—

(a) the rules have been in force for at least 12 months,

(b) the Treasury consider that it is in the public interest that the rules are reviewed, and

(c) it does not appear to the Treasury that—

(i) the Bank is carrying out, or plans to carry out, a review of those rules, or

(ii) if the Bank proposes to carry out a review, the proposals are appropriate for the purposes of carrying out an effective review.

(2) Subsection (1) only applies to rules falling within section 300I(1).

(3) The Treasury must consult the Bank before giving a direction under subsection (1).

(4) In exercising the power under this section, the Treasury must have regard to the desirability of minimising any adverse effect that the carrying out of the review may have on the exercise by the Bank of any of its other functions.

(5) A direction under subsection (1) may—

(a) specify the period within which a review must be carried out;

(b) determine the scope and conduct of a review;

(c) require the provision of interim reports during the carrying out of a review.

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

(6) Provision made in a direction under subsection (5)(b) may include a requirement—

(a) for a review to be carried out by a person appointed by the Bank who is independent of the Bank;

(b) for any such appointment to be made only with the approval of the Treasury.

(7) As soon as practicable after giving a direction under subsection (1) the Treasury must—

(a) lay before Parliament a copy of the direction, and

(b) publish the direction in such manner as the Treasury think fit.

(8) Subsection (7) does not apply where the Treasury consider that publication of the direction would be against the public interest.

(9) A direction under subsection (1) may be varied or revoked by the giving of a further direction.

300L Report on certain reviews

(1) This section applies where the Treasury have given a direction to the Bank of England under section 300K to carry out a review.

(2) The Bank must make a written report to the Treasury as to the opinion of the Bank in relation to the following matters—

(a) whether the rules under review advance—

(i) the Bank's Financial Stability Objective, and

(ii) the Bank's secondary innovation objective (see section 30D(2) of the Bank of England Act 1998);

(b) whether and to what extent the rules are functioning effectively and achieving their intended purpose;

(c) whether any amendments need to be made to the rules and, if so, what those amendments should be;

(d) whether any rules should be revoked (with or without replacement);

(e) whether any other action should be taken and, if so, what that action should be.

(3) As soon as practicable after receiving the report the Treasury must—

(a) lay before Parliament a copy of the report, and

(b) publish the report in such manner as the Treasury think fit.

(4) When complying with subsection (3) the Treasury may withhold material from the report if the Treasury consider that publication of the material would be against the public interest.

300M Power of Treasury to require making of rules by regulations

(1) The Treasury may by regulations require the Bank of England to exercise a power under this Act to make rules in relation to a specified activity or a specified description of person.

(2) Regulations under this section may—

(a) specify matters that the rules must cover;

(b) specify a period within which the rules must be made.

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(3) But except so far as permitted by subsection (2), regulations under this section may not require rules to be made—

(a) in a specified form or with specified content, or

(b) to achieve or advance a specified outcome.

(4) If no period is specified under subsection (2)(b) the rules must be made as soon as reasonably practicable after the coming into force of the regulations.**]**

Other matters

301 Supervision of certain contracts.

(1) The Secretary of State and the Treasury, acting jointly, may by regulations provide for—

(a) Part VII of the [M26]Companies Act 1989 (financial markets and insolvency), and

(b) Part V of the [M27]Companies (No. 2)(Northern Ireland) Order 1990,

to apply to relevant contracts as it applies to contracts connected with a recognised body.

(2) "Relevant contracts" means contracts of a prescribed description in relation to which settlement arrangements are provided by a person for the time being included in a list ("the list") maintained by **[**[F2261]the Bank of England**]** for the purposes of this section.

(3) Regulations may be made under this section only if the Secretary of State and the Treasury are satisfied, having regard to the extent to which the relevant contracts concerned are contracts of a kind dealt in by persons supervised by **[**[F2262]the FCA or the Bank of England**]**, that it is appropriate for the arrangements mentioned in subsection (2) to be supervised by **[**[F2263]the Bank**]**.

(4) The approval of the Treasury is required for—

(a) the conditions set by the **[**[F2264]Bank of England**]** for admission to the list; and

(b) the arrangements for admission to, and removal from, the list.

(5) If the Treasury withdraw an approval given by them under subsection (4), all regulations made under this section and then in force are to be treated as suspended.

(6) But if—

(a) the **[**[F2265]Bank of England**]** changes the conditions or arrangements (or both), and

(b) the Treasury give a fresh approval under subsection (4),

the suspension of the regulations ends on such date as the Treasury may, in giving the fresh approval, specify.

(7) The **[**[F2266]Bank of England**]** must—

(a) publish the list as for the time being in force; and

(b) provide a certified copy of it to any person who wishes to refer to it in legal proceedings.

(8) A certified copy of the list is evidence (or in Scotland sufficient evidence) of the contents of the list.

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(9) A copy of the list which purports to be certified by or on behalf of the **[**[F2267]Bank of England**]** is to be taken to have been duly certified unless the contrary is shown.

(10) Regulations under this section may, in relation to a person included in the list—

(a) apply (with such exceptions, additions and modifications as appear to the Secretary of State and the Treasury to be necessary or expedient) such provisions of, or made under, this Act as they consider appropriate;

(b) provide for the provisions of Part VII of the [M28]Companies Act 1989 and Part V of the [M29]Companies (No. 2)(Northern Ireland) Order 1990 to apply (with such exceptions, additions or modifications as appear to the Secretary of State and the Treasury to be necessary or expedient).

Textual Amendments

F2261 Words in s. 301(2) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 22(2)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2262 Words in s. 301(3) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 22(3)(a)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2263 Words in s. 301(3) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 22(3)(b)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2264 Words in s. 301(4)(a) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 22(4)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2265 Words in s. 301(6)(a) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 22(4)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2266 Words in s. 301(7) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 22(4)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2267 Words in s. 301(9) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 22(4)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

Marginal Citations

M26 1989 c. 40.

M27 S.I. 1990/1504 (N.I. 10).

M28 1989 c. 40.

M29 S.I. 1990/1504 (N.I. 10).

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[F2268CHAPTER 1A

CONTROL OVER RECOGNISED INVESTMENT EXCHANGE

Textual Amendments

F2268 Pt. 18 Ch. 1A substituted (21.3.2009) by virtue of The Financial Services and Markets Act 2000 (Controllers) Regulations 2009 (S.I. 2009/534), reg. 5, **Sch. 2** (with reg. 8)

Notices of acquisitions of control over recognised investment exchanges

301A Obligation to notify [F2269the FCA]: acquisitions of control

(1) A person who decides to acquire or increase control over a recognised investment exchange must give **[**F2270the FCA**]** notice in writing before making the acquisition.

(2) A person who acquires or increases control over a recognised investment exchange in circumstances where notice is not required under subsection (1) must give **[**F2271the FCA**]** notice in writing before the end of 14 days beginning with—

(a) the day the person acquired or increased the control; or

(b) if later, the day on which the person first became aware that the control had been acquired or increased.

(3) For the purposes of calculations relating to this section, the holding of shares or voting power by a person ("A1") includes any shares or voting power held by another ("A2") if A1 and A2 are acting in concert.

(4) A notice given under this section is a "section 301A notice" and a person giving notice is a "section 301A notice-giver".

[F2272(5) Nothing in this Chapter applies to an overseas investment exchange.**]**

Textual Amendments

F2269 Words in s. 301A heading substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 23** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2270 Words in s. 301A(1) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 23** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2271 Words in s. 301A(2) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 23** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2272 S. 301A(5) inserted (26.8.2013) by The Financial Services and Markets Act 2000 (Over the Counter Derivatives, Central Counterparties and Trade Repositories) (No. 2) Regulations 2013 (S.I. 2013/1908), regs. 1(3)(c), **5(2)**

301B Requirements for section 301A notices

(1) A section 301A notice must be in such form, include such information and be accompanied by such documents as the **[**F2273FCA**]** may reasonably require.

Status: *This version of this Act contains provisions that are prospective.*
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(2) The **[**F2273FCA**]** must publish a list of its requirements as to the form, information and accompanying documents for a section 301A notice.

(3) The **[**F2273FCA**]** may impose different requirements for different cases and may vary or waive requirements in particular cases.

Textual Amendments

F2273 Word in s. 301B(1)-(3) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 24** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

301C Acknowledgment of receipt

(1) The **[**F2274FCA**]** must acknowledge receipt of a section 301A notice in writing before the end of the second working day following receipt.

(2) If the **[**F2275FCA**]** receives an incomplete section 301A notice it must inform the section 301A notice-giver as soon as reasonably practicable.

Textual Amendments

F2274 Word in s. 301C(1) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 25** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2275 Word in s. 301C(2) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 25** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

Acquiring and increasing control

301D Acquiring and increasing control

(1) For the purposes of this Chapter, a person ("A") acquires control over a recognised investment exchange ("B") if any of the cases in subsection (2) begin to apply.

(2) The cases are where A holds—

(a) 20% or more of the shares in B or in a parent undertaking of B ("P");

(b) 20% or more of the voting power in B or P; or

(c) shares or voting power in B or P as a result of which A is able to exercise significant influence over the management of B.

(3) For the purposes of this Chapter, a person ("A") increases control over a recognised investment exchange ("B") whenever—

(a) the percentage of shares which A holds in B or in a parent undertaking of B ("P") increases from less than 50% to 50% or more;

(b) the percentage of voting power A holds in B or P increases from less than 50% to 50% or more; or

(c) A becomes a parent undertaking of B.

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301E Disregarded holdings

(1) For the purpose of section 301D, shares and voting power that a person holds in a recognised investment exchange ("B") or in a parent undertaking of B ("P") are disregarded in the following circumstances.

(2) Shares held only for the purposes of clearing and settling within a short settlement cycle are disregarded.

(3) Shares held by a custodian or its nominee in a custodian capacity are disregarded, provided that the custodian or nominee is only able to exercise voting power represented by the shares in accordance with instructions given in writing.

(4) Shares representing no more than 5% of the total voting power in B or P held by an investment firm are disregarded, provided that it—

(a) holds the shares in the capacity of a market maker (as defined in **[**F2276Article 2(1)(6) of the markets in financial instruments regulation**]**);

[F2277(b) has a Part 4A permission to carry on a regulated activity which is any of the investment services or activities; and**]**

(c) neither intervenes in the management of B or P nor exerts any influence on B or P to buy the shares or back the share price.

(5) Shares held by a **[**F2278qualifying credit institution**]** or investment firm in its trading book are disregarded, provided that—

(a) the shares represent no more than 5% of the total voting power in B or P; and

(b) F2279... the voting power is not exercised nor otherwise used to intervene in the management of B or P.

(6) Shares held by a **[**F2280qualifying credit institution**]** or an investment firm are disregarded, provided that—

(a) the shares are held as a result of performing the investment services and activities of—

(i) underwriting a share issue; or

(ii) placing shares on a firm commitment basis F2281...; and

(b) the **[**F2282qualifying credit institution**]** or investment firm—

(i) does not exercise voting power represented by the shares or otherwise intervene in the management of the issuer; and

(ii) retains the holding for a period of less than one year.

(7) Where a management company (as defined in **[**F2283section 237(2)**]**) and its parent undertaking both hold shares or voting power, each may disregard holdings of the other, provided that each exercises its voting power independently of the other.

(8) But subsection (7) does not apply if the management company—

[F2284(a) manages holdings for its parent undertaking or a controlled undertaking of the parent undertaking;**]**

(b) has no discretion as to the exercise of the voting power attached to such holdings; and

(c) may only exercise the voting power in relation to such holdings under direct or indirect instruction from—

(i) the parent undertaking; or

[F2285(ii) a controlled undertaking of the parent undertaking.**]**

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(9) Where an investment firm and its parent undertaking both hold shares or voting power, the parent undertaking may disregard holdings managed by the investment firm on a client by client basis and the investment firm may disregard holdings of the parent undertaking, provided that the investment firm—

(a) has permission to provide portfolio management;

(b) exercises its voting power independently from the parent undertaking; and

(c) may only exercise the voting power under instructions given in writing, or has appropriate mechanisms in place for ensuring that individual portfolio management services are conducted independently of any other services.

[F2286(9A) Shares acquired for stabilisation purposes in accordance with **[**F2287the market abuse regulation and Commission Delegated Regulation (EU) No. 1052/2016 of 8 March 2016 supplementing Regulation (EU) No. 596/2014 of the European Parliament and the Council with regard to the regulatory technical standards for conditions applicable to buy-back programmes and stabilisation measures**]** are disregarded, provided that the voting power attached to those shares is not exercised or otherwise used to intervene in the management of B or P.**]**

[F2288(10) For the purposes of this section, an undertaking is a controlled undertaking of the parent undertaking if it is controlled by the parent undertaking; and for this purpose the question of whether one undertaking controls another is to be determined in accordance with section 89J(4) and (5).**]**

Textual Amendments

F2276 Words in s. 301E(4)(a) substituted (31.12.2020) by The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(3), **6(2)(a)(i)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F2277 S. 301E(4)(b) substituted (31.12.2020) by The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(3), **6(2)(a)(ii)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F2278 Words in s. 301E(5) substituted (31.12.2020) by The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(3), **6(2)(b)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F2279 Words in s. 301E(5)(b) omitted (1.11.2015 for specified purposes, 31.5.2016 in so far as not already in force) by virtue of The Transparency Regulations 2015 (S.I. 2015/1755), regs. 1(2)(4), **6(2)(a)**

F2280 Words in s. 301E(6) substituted (31.12.2020) by The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(3), **6(2)(c)(i)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F2281 Words in s. 301E(6)(a)(ii) omitted (31.12.2020) by virtue of The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(3), **6(2)(c)(ii)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F2282 Words in s. 301E(6)(b) substituted (31.12.2020) by The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(3), **6(2)(c)(i)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F2283 Words in s. 301E(7) substituted (31.12.2020) by The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(3), **6(2)(d)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F2284 S. 301E(8)(a) substituted (1.1.2014) by The Capital Requirements Regulations 2013 (S.I. 2013/3115), reg. 1(2), **Sch. 2 para. 17(a)**

F2285 S. 301E(8)(c)(ii) substituted (1.1.2014) by The Capital Requirements Regulations 2013 (S.I. 2013/3115), reg. 1(2), **Sch. 2 para. 17(b)**

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F2286 S. 301E(9A) inserted (1.11.2015 for specified purposes, 31.5.2016 in so far as not already in force) by The Transparency Regulations 2015 (S.I. 2015/1755), regs. 1(2)(4), **6(2)(b)**

F2287 Words in s. 301E(9A) substituted (26.3.2019) by The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(2), **2(a)**

F2288 S. 301E(10) inserted (1.1.2014) by The Capital Requirements Regulations 2013 (S.I. 2013/3115), reg. 1(2), **Sch. 2 para. 17(c)**

Assessment procedure

301F Assessment: general

(1) Where the **[**F2289FCA**]** receives a section 301A notice, it must—

(a) determine whether to approve the acquisition to which it relates; or

(b) propose to object to the acquisition.

(2) In making its determination the **[**F2289FCA**]** must—

(a) consider the suitability of the section 301A notice-giver and the financial soundness of the acquisition in order to ensure the sound and prudent management of the recognised investment exchange in question; and

(b) have regard to the likely influence that the section 301A notice-giver will have on the recognised investment exchange.

(3) The **[**F2289FCA**]** may only object to an acquisition if it is not satisfied that the approval requirement is met.

(4) The approval requirement is that the acquisition in question by the notice-giver does not pose a threat to the sound and prudent management of any financial market operated by the recognised investment exchange.

Textual Amendments

F2289 Word in s. 301F(1)-(3) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 26** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

301G Assessment: Procedure

(1) The **[**F2290FCA**]** must act under section 301F within a period three months from the date the **[**F2290FCA**]** receives the completed section 301A notice ("the assessment period").

(2) The **[**F2291FCA**]** must inform the section 301A notice-giver in writing of—

(a) the duration of the assessment period; and

(b) its expiry date.

(3) The **[**F2291FCA**]** must, within two working days of acting under section 301F (and in any event no later than the expiry date of the assessment period)—

(a) notify the section 301A notice-giver that it has determined to approve the acquisition; or

(b) in the case of a proposed objection to an acquisition, give a warning notice.

Status: *This version of this Act contains provisions that are prospective.*
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(4) The **[**F2291FCA**]** is treated as having approved the acquisition if, at the expiry of the assessment period, it has neither—

(a) given notice under subsection (3); nor

(b) informed the section 301A notice-giver that the notice is incomplete.

(5) If the **[**F2291FCA**]** decides to object to an acquisition it must give the section 301A notice-giver a decision notice.

(6) Following receipt of a decision notice under this section, the section 301A notice-giver may refer **[**F2292the FCA's**]** decision to the Tribunal.

Textual Amendments

F2290 Word in s. 301G(1) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 27(2)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2291 Word in s. 301G(2)-(5) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 27(2)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2292 Words in s. 301G(6) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 27(3)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

301H Duration of approval

(1) Approval of an acquisition is effective for such period as **[**F2293the FCA**]** may specify in writing.

(2) Where **[**F2294the FCA**]** has specified a period under subsection (1), it may extend the period.

(3) Where **[**F2295the FCA**]** has not specified a period, the approval is effective for one year beginning with the date—

(a) of the notice given under section 301G(3)(a);

(b) on which **[**F2295the FCA**]** is treated as having given approval under section 301G(5); or

(c) of a decision on a reference to the Tribunal which results in the person receiving approval.

Textual Amendments

F2293 Words in s. 301H(1) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 28** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2294 Words in s. 301H(2) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 28** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2295 Words in s. 301H(3) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 28** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

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Enforcement procedures

301I Objections by the [F2296FCA]

(1) The [F2296FCA] may object to a person's control over a recognised investment exchange in any of the circumstances specified in subsection (2).

(2) The circumstances are that the [F2296FCA] reasonably believes that—

(a) the person acquired or increased control without giving notice under section 301A in circumstances where notice was required; and

(b) there are grounds for objecting to control on the basis of the approval requirement in section 301F(4).

(3) If the [F2296FCA] proposes to object to a person's control over a recognised investment exchange, it must give that person a warning notice.

(4) If the [F2296FCA] decides to object to a person's control over a UK authorised person, it must give that person a decision notice.

(5) A person to whom the [F2296FCA] gives a decision notice under this section may refer the matter to the Tribunal.

Textual Amendments

F2296 Word in s. 301I(1)-(5) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 29** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

301J Restriction notices

(1) The [F2297FCA] may give notice in writing (a "restriction notice") to a person in the following circumstances.

(2) The circumstances are that—

(a) the person has control over a recognised investment exchange by virtue of holding shares or voting power; and

(b) in relation to the shares or voting power, the [F2298FCA] has given the person a warning notice or a decision notice under section 301G or 301I or a final notice which confirms a decision notice given under section 301G or 301I.

(3) In a restriction notice, the [F2299FCA] may direct that shares or voting power to which the notice relates are, until further notice, subject to one or more of the following restrictions—

(a) except by court order, an agreement to transfer or a transfer of any such shares or voting power or, in the case of unissued shares, any agreement to transfer or transfer of the right to be issued with them, is void;

(b) no voting power is to be exercisable;

(c) no further shares are to be issued in pursuance of any right of the holder of any such shares or voting power or in pursuance of any offer made to their holder;

(d) except in a liquidation, no payment is to be made of any sums due from the body corporate on any such shares, whether in respect of capital or otherwise.

(4) A restriction notice takes effect—

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(a) immediately; or
(b) on such date as may be specified in the notice.

(5) A restriction notice does not extinguish rights which would be enjoyable but for the notice.

(6) A copy of the restriction notice must be served on—
(a) the recognised investment exchange in question; and
(b) in the case of shares or voting power held in a parent undertaking of a recognised investment exchange, the parent undertaking.

(7) A person to whom the **[**F2300FCA**]** gives a restriction notice may refer the matter to the Tribunal.

Textual Amendments

F2297 Word in s. 301J(1) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 30** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2298 Word in s. 301J(2)(b) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 30** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2299 Word in s. 301J(3) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 30** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2300 Word in s. 301J(7) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 30** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

301K Orders for sale of shares

(1) The court may, on the application of **[**F2301the FCA**]**, order the sale of shares or the disposition of voting power in the following circumstances.

(2) The circumstances are that—
(a) a person has control over a recognised investment exchange by virtue of holding the shares or voting power; and
(b) the acquisition or continued holding of the shares or voting power by that person is in contravention of a final notice which confirms a decision notice given under section 301G or section 301I.

(3) Where the court orders the sale of shares or disposition of voting power it may—
(a) if a restriction notice has been given in relation to the shares or voting power, order that the restrictions cease to apply; and
(b) make any further order.

(4) Where the court makes an order under this section, it must take into account the level of holding that the person would have been entitled to acquire, or to continue to hold, without contravening the final notice.

(5) If shares are sold or voting power disposed of in pursuance of an order under this section, any proceeds, less the costs of the sale or disposition, must be paid into court

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for the benefit of the persons beneficially interested in them; and any such person may apply to the court for payment of a whole or part of the proceeds.

(6) The jurisdiction conferred by this section may be exercised by the High Court and the Court of Session.

Textual Amendments

F2301 Words in s. 301K(1) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 31** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

Offences

301L Offences under this Chapter

(1) A person who fails to comply with an obligation to notify **[**F2302the FCA**]** under section 301A(1) or (2) is guilty of an offence.

(2) A person who gives notice to **[**F2303the FCA**]** under section 301A(1) and makes the acquisition to which the notice relates before the expiry date of the assessment period is guilty of an offence unless **[**F2303the FCA**]** has approved the acquisition.

(3) A person who makes an acquisition in contravention of a warning notice or a decision notice given under section 301G or a final notice which confirms a decision notice under that section is guilty of an offence.

(4) A person who makes an acquisition after **[**F2304the FCA's**]** approval for the acquisition has ceased to be effective by virtue of section 301H is guilty of an offence.

(5) A person who provides information to **[**F2305the FCA**]** which is false in a material particular is guilty of an offence.

(6) A person who breaches a direction contained in a restriction notice given under section 301J is guilty of an offence.

(7) A person guilty of an offence under subsection (1), (2) or (4) to (6) is liable—

(a) on summary conviction to a fine not exceeding the statutory maximum; or

(b) on conviction on indictment, to a fine.

(8) A person guilty of an offence under subsection (3) is liable—

(a) on summary conviction, to a fine not exceeding the statutory maximum; or

(b) on conviction on indictment, to imprisonment for a term not exceeding two years or a fine, or both.

(9) It is a defence for a person charged with an offence under subsection (1) in relation to section 301A(2) to show that the person had, at the time of the alleged offence, no knowledge of the act or circumstances by virtue of which the duty to notify **[**F2306the FCA**]** arose.

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Textual Amendments

F2302 Words in s. 301L(1) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 32(2)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2303 Words in s. 301L(2) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 32(2)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2304 Words in s. 301L(4) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 32(3)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2305 Words in s. 301L(5) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 32(4)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2306 Words in s. 301L(9) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 32(4)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

Interpretation

301M Interpretation

(1) In this Chapter—

"acquisition" means the acquisition of control or of an increase in control over a recognised investment exchange;

F2307 ...

"shares" and "voting power" have the same meaning as in section 422.

(2) For the purposes of this Chapter, a "working day" is a day other than—

(a) a Saturday or a Sunday; or

(b) a day which is a bank holiday in England and Wales under the Banking and Financial Dealings Act 1971.**]**

Textual Amendments

F2307 Words in s. 301M(1) omitted (31.12.2020) by virtue of The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(3), **6(3)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

CHAPTER II

COMPETITION SCRUTINY

F2308 302 Interpretation.

. . . . . .

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Textual Amendments

F2308 Pt. 18 Ch. 2 omitted (1.4.2013) by virtue of Financial Services Act 2012 (c. 21), **ss. 34(a)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

Role of [F2309 Office of Fair Trading]

Textual Amendments

F2309 S. 303: cross-heading substituted (1.4.2003) by Enterprise Act 2002 (c. 40), ss. 278, 279, **Sch. 25 para. 40(10)(f)**; S.I. 2003/766, **art. 2**, Sch. (with art. 3)

F2308 303 Initial report by [F2310 OFT].

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Textual Amendments

F2308 Pt. 18 Ch. 2 omitted (1.4.2013) by virtue of Financial Services Act 2012 (c. 21), **ss. 34(a)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2310 S. 303: words in sidenote substituted (1.4.2003) by Enterprise Act 2002 (c. 40), ss. 278, 279, **Sch. 25 para. 40(10)(f)**; S.I. 2003/766, **art. 2**, Sch. (with art. 3)

F2308 304 Further reports by [F2311 OFT].

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Textual Amendments

F2308 Pt. 18 Ch. 2 omitted (1.4.2013) by virtue of Financial Services Act 2012 (c. 21), **ss. 34(a)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2311 Words in s. 304 substituted (1.4.2003) by Enterprise Act 2002 (c. 40), ss. 278, 279, **Sch. 25 para. 40(11)(a)**; S.I. 2003/766, **art. 2**, Sch. (with art. 3)

F2308 305 Investigations by [F2312 OFT].

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Textual Amendments

F2308 Pt. 18 Ch. 2 omitted (1.4.2013) by virtue of Financial Services Act 2012 (c. 21), **ss. 34(a)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2312 Words in s. 305 substituted (1.4.2003) by Enterprise Act 2002 (c. 40), ss. 278, 279, **Sch. 25 para. 40(12)**; S.I. 2003/766, **art. 2**, Sch. (with art. 3)

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Role of Competition Commission

F2308 306 Consideration by Competition Commission.

. . . . . .

Textual Amendments

F2308 Pt. 18 Ch. 2 omitted (1.4.2013) by virtue of Financial Services Act 2012 (c. 21), **ss. 34(a)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

Role of the Treasury

F2308 307 Recognition orders: role of the Treasury.

. . . . . .

Textual Amendments

F2308 Pt. 18 Ch. 2 omitted (1.4.2013) by virtue of Financial Services Act 2012 (c. 21), **ss. 34(a)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2308 308 Directions by the Treasury.

. . . . . .

Textual Amendments

F2308 Pt. 18 Ch. 2 omitted (1.4.2013) by virtue of Financial Services Act 2012 (c. 21), **ss. 34(a)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2308 309 Statements by the Treasury.

. . . . . .

Textual Amendments

F2308 Pt. 18 Ch. 2 omitted (1.4.2013) by virtue of Financial Services Act 2012 (c. 21), **ss. 34(a)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2308 310 Procedure on exercise of certain powers by the Treasury.

. . . . . .

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Textual Amendments

F2308 Pt. 18 Ch. 2 omitted (1.4.2013) by virtue of Financial Services Act 2012 (c. 21), **ss. 34(a)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

[F2313 CHAPTER 2A

PERFORMANCE OF FUNCTIONS OF RECOGNISED BODIES

Textual Amendments

F2313 Pt. 18 Ch. 2A inserted (29.6.2023 for specified purposes) by Financial Services and Markets Act 2023 (c. 29), s. 86(1)(e), **Sch. 10 para. 1**

Relevant recognised bodies

309A Recognised bodies to which this Chapter applies

(1) The Treasury may by regulations specify as a "relevant recognised body" for the purposes of this Chapter a type of recognised body mentioned in subsection (2).

(2) The types of recognised bodies are—

(a) recognised investment exchanges;

(b) recognised central counterparties;

(c) recognised CSDs.

(3) Before making regulations under subsection (1), the Treasury—

(a) must consult the FCA if it proposes to specify recognised investment exchanges (or recognised investment exchanges of a specified description);

(b) must consult the Bank of England if it proposes to specify recognised central counterparties or recognised CSDs (or recognised central counterparties or recognised CSDs of a specified description);

(c) in any case, must consult such persons as appear to it to be representative of interests likely to be affected by the application of this Chapter to the types, or descriptions, of bodies it proposes to specify.

(4) In this Chapter, references to "the appropriate regulator" are to be read in accordance with section 285A (accordingly, the appropriate regulator in relation to a recognised investment exchange is the FCA, and in any other case is the Bank of England).

(5) Nothing in this Chapter applies to overseas investment exchanges.

Prohibition

309B Part 18 prohibition orders

(1) This section applies if it appears to the appropriate regulator that an individual is not a fit and proper person to perform functions in relation to an activity carried on by a relevant recognised body.

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(2) The appropriate regulator may make an order (a "Part 18 prohibition order") prohibiting the individual from performing a specified function, any function falling within a specified description or any function.

(3) A Part 18 prohibition order may relate to—

(a) a specified activity, any activity falling within a specified description or all activities (but see subsection (5));

(b) all persons falling within subsection (4), or a particular paragraph of that subsection, or all persons within a specified class of person falling within a particular paragraph of that subsection.

(4) A person falls within this subsection if the person is—

(a) a relevant recognised body (whether or not the appropriate regulator making the order is the appropriate regulator in relation to relevant recognised bodies of that type),

(b) an authorised person,

(c) an exempt person (other than a relevant recognised body), or

(d) a person to whom, as a result of Part 20, the general prohibition does not apply in relation to a regulated activity.

(5) If a Part 18 prohibition order makes provision in relation to a person or persons falling within subsection (4)(b), (c) or (d), subsection (3)(a) applies in relation to such provision as if references to an activity or activities were to a regulated activity or regulated activities.

(6) In this section, "specified" means specified in the Part 18 prohibition order.

309C Procedure for making Part 18 prohibition orders

(1) If the appropriate regulator proposes to make a Part 18 prohibition order it must—

(a) comply with such consultation requirements as may be prescribed, and

(b) give the individual to whom the order would apply a warning notice.

(2) A warning notice under subsection (1)(b) must set out the terms of the prohibition.

(3) If the appropriate regulator decides to make a Part 18 prohibition order it must give the individual to whom the order applies a decision notice.

(4) The decision notice must—

(a) name the individual to whom the Part 18 prohibition order applies, and

(b) set out the terms of the order.

(5) If the appropriate regulator decides to make a Part 18 prohibition order, the individual to whom the order applies may refer the matter to the Tribunal.

309D Varying and withdrawing Part 18 prohibition orders

(1) This section applies where the appropriate regulator has made a Part 18 prohibition order in relation to an individual.

(2) The appropriate regulator may vary or revoke the Part 18 prohibition order on the application of the individual.

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(3) Before varying or revoking a Part 18 prohibition order, the appropriate regulator must comply with such consultation requirements as may be prescribed.

(4) On an application for the variation or revocation of a Part 18 prohibition order—

(a) if the appropriate regulator decides to grant the application, it must give the applicant written notice of its decision;

(b) if the appropriate regulator proposes to refuse the application, it must give the applicant a warning notice;

(c) if the appropriate regulator decides to refuse the application, it must give the applicant a decision notice.

(5) If the appropriate regulator gives the applicant a decision notice under subsection (4)(c), the applicant may refer the matter to the Tribunal.

309E Offence of breaching prohibition

(1) An individual who performs a function, or agrees to perform a function, in breach of a Part 18 prohibition order is guilty of an offence.

(2) An individual who commits an offence under this section is liable—

(a) on summary conviction in England and Wales, to a fine;

(b) on summary conviction in Scotland, to a fine not exceeding level 5 on the standard scale;

(c) on summary conviction in Northern Ireland, to a fine not exceeding level 5 on the standard scale.

(3) In proceedings for an offence under this section, it is a defence for the individual to show that the individual took all reasonable precautions and exercised all due diligence to avoid committing the offence.

309F Duty in relation to prohibited individuals

(1) A person ("P") falling within section 309B(4) must take reasonable care to ensure that no function in relation to the carrying on of P's activities is performed by an individual who is prohibited from performing that function by a Part 18 prohibition order.

(2) A contravention of subsection (1) is actionable at the suit of a private person who suffers loss as a result of the contravention, subject to the defences and other incidents applying to actions for breach of statutory duty.

(3) In prescribed cases, a contravention of subsection (1) which would be actionable at the suit of a private person is actionable at the suit of a person who is not a private person, subject to the defences and other incidents applying to actions for breach of statutory duty.

(4) In this section "private person" has such meaning as may be prescribed.

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Approval

309G Requirement for approval

(1) A relevant recognised body must take reasonable care to ensure that a person does not perform a designated senior management function in relation to the carrying on of an activity by the body, unless the person is acting in accordance with an approval given by the appropriate regulator under this section.

(2) Subsection (1) applies only in relation to a function performed under—

(a) an arrangement entered into by the relevant recognised body, or

(b) an arrangement entered into by a contractor of the relevant recognised body.

(3) "Designated senior management function" means a function of a description specified in rules made by the appropriate regulator.

(4) The appropriate regulator may specify a description of function under subsection (3) only if it is satisfied that the function is a senior management function.

(5) A function is a "senior management function" in relation to the carrying on of a relevant recognised body's activities if—

(a) the function will require the person performing it to be responsible for managing one or more aspects of the body's affairs, and

(b) those aspects involve, or might involve, a risk of serious consequences—

(i) for the body, or

(ii) for business or other interests in the United Kingdom.

(6) In subsection (5)(a), the reference to managing one or more aspects of a relevant recognised body's affairs includes a reference to taking decisions, or participating in the taking of decisions, about how one or more aspects of those affairs should be carried on.

(7) In subsection (2), "arrangement"—

(a) means any kind of arrangement for the performance of a function of a relevant recognised body which is entered into by the body, or by a contractor of the body, and another person, and

(b) includes, in particular, an arrangement under which the other person is appointed to an office, becomes a partner or is employed (whether under a contract of service or otherwise).

309H Rules under section 309G(3): transitional provision

(1) In relation to rules made by the Bank of England or the FCA under section 309G(3), the power conferred by section 137T(c) to make transitional provision includes, in particular, power—

(a) to provide for anything done under this Chapter, or under Part 5 (performance of regulated activities), in relation to a senior management function of a particular description to be treated as having been done in relation to a senior management function of a different description;

(b) to provide for anything done under this Chapter, or under Part 5 (including any application or order made, any requirement imposed and any approval or notice given) to cease to have effect, to continue to have effect, or to continue to have effect with modifications, or subject to time limits or conditions;

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(c) to provide for rules made by the regulator making the rules under section 309G(3) to apply with modifications;

(d) to make saving provision.

(2) The Treasury may by regulations make whatever incidental, consequential, transitional, supplemental or saving provision the Treasury consider appropriate in connection with the making of rules under section 309G(3).

(3) Regulations under subsection (2) may—

(a) confer functions on the Bank of England or the FCA (including the function of making rules);

(b) modify legislation (including any provision of, or made under, this Act).

(4) In subsection (3)(b)—

"legislation" means primary legislation, subordinate legislation (within the meaning of the Interpretation Act 1978) and **[**[F2314]assimilated direct**]** legislation, but does not include rules or other instruments made by any regulator;

"modify" includes amend, repeal or revoke.

Textual Amendments

F2314 Words in s. 309H(4) substituted (1.1.2024) by The Retained EU Law (Revocation and Reform) Act 2023 (Consequential Amendment) Regulations 2023 (S.I. 2023/1424), reg. 1(2), **Sch. para. 44(4)(q)**

309I Applications for approval

(1) A relevant recognised body may apply for approval from the appropriate regulator under section 309G for a person to perform a designated senior management function in relation to the carrying on of the body's activities.

(2) The application must be made in such manner as the appropriate regulator may direct.

(3) The application must contain—

(a) a statement setting out the aspects of the applicant's affairs which it is intended that the person will be responsible for managing in performing the function, and

(b) such other information as the appropriate regulator may reasonably require.

(4) A statement provided under subsection (3)(a) is known as a "statement of responsibilities".

(5) At any time after the application is received, and before it is determined, the appropriate regulator may require the applicant to provide it with such further information as it reasonably considers necessary to enable it to determine the application.

(6) The appropriate regulator may require the applicant to present information provided under this section in such form, or to verify the information in such a way, as the appropriate regulator may direct.

(7) Different directions may be given, and different requirements may be imposed, in relation to different applications or categories of application.

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(8) In subsection (1), "relevant recognised body" includes—

(a) if recognised investment exchanges are a type of recognised body to which this Chapter applies, a person who has applied for recognition as such under section 287;

(b) if recognised central counterparties are a type of recognised body to which this Chapter applies, a person who has applied for recognition as such under section 288;

(c) if recognised CSDs are a type of recognised body to which this Chapter applies, a person who has applied for recognition as such under section 288A.

309J Vetting by relevant recognised bodies

(1) Before making an application under section 309I for approval for a person to perform a designated senior management function, a relevant recognised body must be satisfied that the person is a fit and proper person to perform the function.

(2) In deciding that question, the relevant recognised body must have regard, among other things, to whether the person, or any person who may perform a function on the person's behalf—

(a) has obtained a specified qualification;

(b) has undergone, or is undergoing, specified training;

(c) possesses a specified level of competence;

(d) has specified personal characteristics.

(3) In subsection (2), "specified" means specified in rules made by the appropriate regulator.

(4) Before making rules for the purposes of this section, the appropriate regulator must comply with such consultation requirements as may be prescribed.

309K Determining applications: power to grant approval

(1) The appropriate regulator may grant an application under section 309I for approval for a person to perform a designated senior management function only if—

(a) it is satisfied that the person is a fit and proper person to perform the function, or

(b) it is satisfied that the condition in paragraph (a) will be met if the application is granted subject to one or more conditions (see subsection (3)).

(2) In determining the application, the appropriate regulator may have regard, among other things, to the matters mentioned in section 309J(2) (qualifications etc of person for whom approval sought).

(3) The appropriate regulator may, if it appears to it that it is desirable to do so in order to advance a relevant objective—

(a) grant the application subject to any conditions that it considers appropriate;

(b) grant the application so as to give approval only for a limited period.

(4) For the purposes of subsection (3), "relevant objective" means—

(a) if the appropriate regulator is the FCA, any of its operational objectives;

(b) if the appropriate regulator is the Bank of England, the Financial Stability Objective.

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(5) Before granting approval under this section (whether or not subject to conditions or for a limited period), the appropriate regulator must comply with such consultation requirements as may be prescribed.

309L Determining applications: period for approval

(1) The appropriate regulator must, before the end of the period for consideration, determine whether—

(a) to grant an application under section 309I for approval for a person to perform a function, without imposing conditions or limiting the period for which the approval has effect, or

(b) to give a warning notice under section 309M(2).

(2) In subsection (1), "the period for consideration" means the period of 3 months beginning with the day on which the appropriate regulator receives the application.

This is subject to subsections (3) and (4).

(3) Where the application under section 309I is made by a person in reliance on section 309I(8) (applicants for recognition to be treated as relevant recognised bodies), "the period for consideration" means whichever of the following periods ends later—

(a) the period described in subsection (2), and

(b) the period within which the person's application for recognition must be determined—

(i) in the case of an application under section 287, in accordance with section 290(1B);

(ii) in the case of an application under section 288, in accordance with Article 17(7) of the EMIR regulation;

(iii) in the case of an application under section 288A, in accordance with section 290(4A).

(4) If the appropriate regulator imposes a requirement under section 309I(5), the period described in subsection (2) stops running on the day on which the requirement is imposed but starts running again—

(a) on the day on which the required information is received by the appropriate regulator, or

(b) if the information is not provided on a single day, on the last of the days on which it is received by the appropriate regulator.

(5) An applicant may withdraw an application under section 309I, by giving written notice to the appropriate regulator, at any time before the appropriate regulator determines the application, but only with the consent of—

(a) the person in relation to whom the application is made, and

(b) the person by whom that person is to be retained to perform the function to which the application relates, if not the applicant.

309M Determining applications: further procedure

(1) If the appropriate regulator decides to grant an application under section 309I without imposing conditions or limiting the period for which approval is given, it must give written notice of its decision to each of the interested parties.

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(2) If the appropriate regulator proposes to refuse the application, or to grant the application subject to conditions or for a limited period (or both), it must give a warning notice to each of the interested parties.

(3) If the appropriate regulator decides to refuse the application, or to grant the application subject to conditions or for a limited period (or both), it must give a decision notice to each of the interested parties.

(4) If the appropriate regulator decides to refuse the application, or to grant the application subject to conditions or for a limited period (or both), each of the interested parties may refer the matter to the Tribunal.

(5) In this section, "the interested parties", in relation to an application under section 309I for approval for a person to perform a function, are—

(a) the applicant,

(b) the person in relation to whom the application is made, and

(c) the person by whom that person is to be retained to perform the function to which the application relates, if not the applicant.

309N Changes in responsibilities

(1) This section applies where, on an application made by a relevant recognised body under section 309I, the appropriate regulator has given approval for a person to perform a designated senior management function (and has not withdrawn the approval).

(2) Each time there is a notifiable change in the aspects of the relevant recognised body's affairs which the person is responsible for managing in performing the function, the relevant recognised body must provide the appropriate regulator with a revised statement of responsibilities (see section 309I(4)).

(3) Whether a change is "notifiable" is to be determined by the relevant recognised body in accordance with rules made by the appropriate regulator.

(4) The appropriate regulator may require the relevant recognised body to present information provided under this section in such form, or to verify the information in such a way, as the appropriate regulator may direct.

309O Withdrawing approval

(1) This section applies if an approval under section 309G has been given by the appropriate regulator in relation to the performance by a person of a designated senior management function.

(2) The appropriate regulator may withdraw the approval if it considers that the person is not a fit and proper person to perform the function.

(3) In considering whether to withdraw an approval, the appropriate regulator may take into account any matter which may be taken into account in considering an application under section 309I.

(4) The relevant recognised body on whose application the approval was given must, at specified intervals—

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(a) consider whether there are grounds on which the appropriate regulator could withdraw the approval under this section, and

(b) if it considers that there are such grounds, notify the appropriate regulator of those grounds.

(5) For the purposes of subsection (4), a "specified interval" is an interval specified in rules made by the appropriate regulator for the purposes of this section.

309P Procedure for withdrawing approval

(1) If the appropriate regulator proposes to withdraw an approval given under section 309G, it must—

(a) comply with such consultation requirements as may be prescribed, and

(b) give each of the interested parties a warning notice.

(2) If the appropriate regulator decides to withdraw the approval, it must give each of the interested parties a decision notice.

(3) If the appropriate regulator decides to withdraw the approval, each of the interested parties may refer the matter to the Tribunal.

(4) In this section, "the interested parties", in relation to an approval given under section 309G, are—

(a) the relevant recognised body on whose application the approval was given,

(b) the person in relation to whom the approval was given, and

(c) the person by whom that person's services are retained, if not the relevant recognised body.

309Q Varying approval at request of relevant recognised body

(1) Where an approval under section 309G has effect subject to conditions, the relevant recognised body that applied for the approval may apply to the appropriate regulator to vary the approval by—

(a) varying a condition,

(b) removing a condition, or

(c) imposing a new condition.

(2) Where an approval under section 309G has effect for a limited period, the relevant recognised body that applied for the approval may apply to the appropriate regulator to vary the approval by—

(a) varying the period, or

(b) removing the limit on the period for which the approval is to have effect.

(3) The appropriate regulator must, before the end of the consultation period, determine whether—

(a) to grant the application, or

(b) to give a warning notice under section 309M(2) (as applied by subsection (8)).

(4) The "consultation period" is—

(a) such period as may be prescribed (and different periods may be prescribed in relation to different types of relevant recognised bodies), or

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(b) if no such period is prescribed, the period of 3 months beginning with the day on which the appropriate regulator receives the application to vary the approval.

(5) The appropriate regulator may refuse an application under this section, if it appears to it that it is desirable to do so in order to advance a relevant objective.

(6) For the purposes of subsection (5), "relevant objective" means—

(a) if the appropriate regulator is the FCA, any of its operational objectives;

(b) if the appropriate regulator is the Bank of England, the Financial Stability Objective.

(7) An application may not be made under this section to vary or remove a condition or limit that was imposed under section 309Z2.

(8) Except as provided for below, the following sections apply to an application under this section for variation of an approval as they apply to an application under section 309I—

(a) section 309I(2) to (8),

(b) section 309L(4) and (5), and

(c) section 309M, but as if the references in subsections (1) to (4) to granting the application subject to conditions or for a limited period, or without imposing conditions or limiting the period for which approval is given, were omitted.

309R Varying approval on the appropriate regulator's initiative

(1) The appropriate regulator may vary an approval under section 309G if it considers it desirable to do so in order to advance a relevant objective.

(2) For these purposes, "relevant objective" means—

(a) if the appropriate regulator is the FCA, any of its operational objectives;

(b) if the appropriate regulator is the Bank of England, the Financial Stability Objective.

(3) The appropriate regulator may vary the approval by doing the following—

(a) imposing a condition,

(b) varying a condition,

(c) removing a condition,

(d) where the approval has effect for an unlimited period, limiting the period of the approval, or

(e) where the approval has effect for a limited period, varying that period or removing the limit on the period.

(4) A variation under this section takes effect—

(a) immediately, if the notice given under subsection (5) states that to be the case,

(b) on a date specified in the notice, or

(c) if no date is specified in the notice, when the matter to which the notice relates is no longer open to review.

(5) If the appropriate regulator proposes to vary an approval or varies an approval with immediate effect, it must give each of the interested parties written notice—

(a) setting out details of the variation,

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(b) stating the reasons for the variation,

(c) stating that each of the interested parties may make representations to the appropriate regulator within the period specified in the notice (whether or not any of the interested parties has referred the matter to the Tribunal),

(d) stating when the variation takes effect, and

(e) setting out each interested party's right to refer the matter to the Tribunal.

(6) A variation may be expressed to take effect immediately or on a specified date only if the appropriate regulator, having regard to its reason for varying the approval, reasonably considers that it is necessary for the variation to take effect immediately or on that date (as appropriate).

(7) The appropriate regulator may extend the period allowed under the notice for making representations.

(8) The appropriate regulator must give each of the interested parties written notice if, having considered the representations made, it decides—

(a) to vary the approval, or

(b) if the variation has taken effect, not to rescind it.

(9) A notice under subsection (8) must inform the interested parties of the right of each of them to refer the matter to the Tribunal.

(10) The appropriate regulator must give each of the interested parties written notice if, having considered the representations made, it decides—

(a) not to vary the approval,

(b) to vary the approval in a different way, or

(c) if the variation has taken effect, to rescind it.

(11) A notice under subsection (10)(b) must comply with the requirements set out in subsection (5)(a) to (e).

(12) A notice under this section which informs the interested parties of the right to refer a matter to the Tribunal must give an indication of the procedure on such a reference.

(13) In this section, "the interested parties" has the same meaning as in section 309P.

(14) For the purposes of subsection (4)(c), whether a matter is open to review is to be determined in accordance with section 391(8).

309S Statement of policy on approval

(1) The appropriate regulator must prepare and issue a statement of its policy with respect to—

(a) the giving of approval under section 309G subject to conditions or for a limited period only, and

(b) the variation under section 309Q or 309R of an approval given under section 309G.

(2) The appropriate regulator—

(a) may alter or replace a statement issued under this section, and

(b) if it does so, must issue the altered or replacement statement.

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(3) Before the appropriate regulator issues a statement of policy under this section, it must publish a draft of the proposed statement in the way appearing to it to be best calculated to bring it to the attention of the public.

(4) The draft statement must be accompanied by a notice stating that representations about the proposal may be made to the appropriate regulator within a period specified in the notice.

(5) Before issuing the proposed statement, the appropriate regulator must have regard to any representations made to it in accordance with subsection (4).

(6) If the appropriate regulator issues the proposed statement it must publish the following in the way appearing to it to be best calculated to bring them to the attention of the public—

(a) the statement,

(b) an account, in general terms, of the representations made to it in accordance with subsection (4) and its response to them, and

(c) if the statement issued differs from the draft published under subsection (3) in a way which the appropriate regulator considers to be significant, details of the difference.

(7) The appropriate regulator may charge a reasonable fee for providing a person with—

(a) a copy of a draft statement published under subsection (3), or

(b) a copy of a statement published under subsection (6)(a).

(8) The appropriate regulator must, without delay, give the Treasury a copy of each statement it publishes under subsection (6)(a).

309T Breach of statutory duty by relevant recognised bodies

(1) A contravention of section 309G(1) is actionable at the suit of a private person who suffers loss as a result of the contravention, subject to the defences and other incidents applying to actions for breach of statutory duty.

(2) In prescribed cases, a contravention of section 309G(1) which would be actionable at the suit of a private person is actionable at the suit of a person who is not a private person, subject to the defences and other incidents applying to actions for breach of statutory duty.

(3) In this section "private person" has such meaning as may be prescribed.

309U Power to impose penalties

(1) The appropriate regulator may impose a penalty on a person if it is satisfied that—

(a) the person has at any time performed a designated senior management function without approval, and

(b) at that time the person knew, or could reasonably be expected to have known, that they were performing a designated senior management function without approval.

(2) The penalty may be of such amount as the appropriate regulator considers appropriate.

(3) A person performs a designated senior management function without approval at a time if—

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(a) the person performs a designated senior management function under an arrangement entered into by a relevant recognised body, or by a contractor of a relevant recognised body, in relation to the carrying on of an activity by the body, and

(b) when performing the function, the person is not acting in accordance with an approval given under section 309G.

(4) The appropriate regulator may not impose a penalty on a person under this section after the end of the limitation period unless it gave the person a warning notice under section 309V before the end of that period.

(5) For the purposes of subsection (4)—

(a) "the limitation period" means the period of 6 years beginning with the first day on which the appropriate regulator knew that the person concerned had performed a designated senior management function without approval, and

(b) the appropriate regulator is to be treated as knowing that a person has performed a designated senior management function without approval if it has information from which that can reasonably be inferred.

309V Procedure for imposing penalties

(1) If the appropriate regulator proposes to impose a penalty on a person under section 309U, it must give the person a warning notice.

(2) A warning notice under this section must state the amount of the penalty.

(3) If the appropriate regulator decides to impose a penalty on a person under section 309U, it must give the person a decision notice.

(4) A decision notice under this section must state the amount of the penalty.

(5) If the appropriate regulator decides to impose a penalty on a person under section 309U, the person may refer the matter to the Tribunal.

309W Statement of policy on penalties

(1) The appropriate regulator must prepare and issue a statement of its policy with respect to—

(a) the imposition of penalties under section 309U, and

(b) the amount of penalties under that section.

(2) The appropriate regulator's policy in determining whether a penalty should be imposed, and what the amount of a penalty should be, must include having regard to—

(a) the conduct of the person on whom the penalty is to be imposed,

(b) the extent to which the person could reasonably be expected to have known that a designated senior management function was performed without approval,

(c) the length of the period during which the person performed a designated senior management function without approval, and

(d) whether the person on whom the penalty is to be imposed is an individual.

(3) The appropriate regulator's policy in determining whether a penalty should be imposed on a person must also include having regard to the appropriateness of taking

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action against the person instead of, or in addition to, taking action against a relevant recognised body.

(4) A statement issued under this section must include an indication of the circumstances in which the appropriate regulator would expect to be satisfied that a person could reasonably be expected to have known that the person was performing a designated senior management function without approval.

(5) The appropriate regulator—

(a) may alter or replace a statement issued under this section, and

(b) if it does so, must issue the altered or replacement statement.

(6) When imposing, or deciding whether to impose, a penalty on a person under section 309U, the appropriate regulator must have regard to any statement of policy published under this section (which was in force at a time when the person performed a designated senior management function without approval).

309X Procedure for statement of policy on penalties

(1) Before the appropriate regulator issues a statement under section 309W(1) or (5), it must publish a draft of the proposed statement in the way appearing to it to be best calculated to bring it to the attention of the public.

(2) The draft statement must be accompanied by a notice stating that representations about the proposal may be made to the appropriate regulator within the period specified in the notice.

(3) Before issuing the proposed statement, the appropriate regulator must have regard to any representations made to it in accordance with subsection (2).

(4) If the appropriate regulator issues the proposed statement it must publish the following in the way appearing to it to be best calculated to bring them to the attention of the public—

(a) the statement,

(b) an account, in general terms, of the representations made to the appropriate regulator in accordance with subsection (2) and the appropriate regulator's response to them, and

(c) if the statement issued differs from the draft published under subsection (1) in a way which the appropriate regulator considers to be significant, details of the difference.

(5) The appropriate regulator may charge a reasonable fee for providing a person with—

(a) a copy of a draft statement published under subsection (1), or

(b) a copy of a statement published under subsection (4)(a).

(6) The appropriate regulator must, without delay, give the Treasury a copy of a statement which it publishes under subsection (4)(a).

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Certification of employees

309Y Certification of employees by relevant recognised bodies

(1) A relevant recognised body must take reasonable care to ensure that none of its employees performs a specified function in relation to the carrying on of an activity by the body, unless the employee has a valid certificate issued by the body under section 309Z.

(2) Subsection (1) applies only in relation to a function performed under an arrangement entered into by the body.

(3) In this section, "specified function" means a function of a description specified in rules made by the appropriate regulator.

(4) The appropriate regulator may specify a description of function under subsection (3) only if, in relation to the carrying on of an activity by a relevant recognised body of a particular description—

(a) the function is not a designated senior management function in relation to the carrying on of that activity by a relevant recognised body of that description, and

(b) the appropriate regulator is satisfied that the function is a significant-harm function.

(5) A function is a "significant-harm function", in relation to the carrying on of an activity by a relevant recognised body, if—

(a) the function will require the person performing it to be involved in one or more aspects of the body's affairs, so far as relating to the activity, and

(b) those aspects involve, or might involve, a risk of significant harm to the body or to any of its consumers.

(6) In this section, "consumers", in relation to a relevant recognised body, means—

(a) persons who use, have used or may use a service provided by the body, or

(b) persons who have relevant rights or interests in relation to any such service.

(7) A person ("P") has a "relevant right or interest" in relation to a service provided by a relevant recognised body if P has a right or interest—

(a) which is derived from, or is otherwise attributable to, the use of the service by others, or

(b) which may be adversely affected by the use of the service by persons acting on P's behalf or in a fiduciary capacity in relation to P.

(8) For these purposes—

(a) if a person is providing a service as a trustee, the persons who are, have been or may be beneficiaries of the trust are to be treated as persons who use, have used or may use the service;

(b) a person who deals with another person ("A") in the course of A providing a service is to be treated as using the service.

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309Z Issuing certificates

(1) A relevant recognised body may issue a certificate to a person under this section in relation to a function only if the body is satisfied that the person is a fit and proper person to perform the function.

(2) In deciding that question the body must have regard, among other things, to whether the person—

(a) has obtained a specified qualification,

(b) has undergone, or is undergoing, specified training,

(c) possesses a specified level of competence, or

(d) has specified personal characteristics.

(3) In subsection (2), "specified" means specified in rules made by the appropriate regulator.

(4) A certificate issued by a relevant recognised body to a person under this section must—

(a) state that the body is satisfied that the person is a fit and proper person to perform the function to which the certificate relates, and

(b) set out the aspects of the body's affairs in which the person will be involved in performing the function.

(5) A certificate issued under this section is valid for a period of 12 months beginning with the day on which it is issued.

(6) If, after having considered whether a person is a fit and proper person to perform a function, a relevant recognised body decides not to issue a certificate to the person under this section, the body must give the person a notice in writing stating—

(a) what steps (if any) the body proposes to take in relation to the person as a result of the decision, and

(b) the reasons for proposing to take those steps.

(7) A relevant recognised body must maintain a record of every employee who has a valid certificate issued by it under this section.

Rules of conduct

309Z1 Rules of conduct

(1) If it appears to the appropriate regulator to be necessary or expedient for the purposes of advancing a relevant objective, the appropriate regulator may make rules about the conduct of the following persons in relation to the performance by them of qualifying functions—

(a) persons in relation to whom the appropriate regulator has given its approval under section 309G ("Part 18 approved persons");

(b) directors of relevant recognised bodies;

(c) employees of relevant recognised bodies.

(2) Rules under subsection (1) may include provision requiring a relevant recognised body to—

(a) notify persons mentioned in subsection (1) of the rules that apply to them;

(b) take specified steps to secure that such persons understand how those rules apply in relation to them.

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(3) Rules under subsection (1) may include provision requiring a relevant recognised body to notify the appropriate regulator if the body takes specified disciplinary action in relation to a person mentioned in subsection (1).

(4) In this section—

"qualifying function" means a function relating to the carrying on of activities by the following—

(a) in the case of a Part 18 approved person, the relevant recognised body on whose application approval was given;

(b) in the case of a director or employee of a relevant recognised body, who is not a Part 18 approved person, the relevant recognised body;

"relevant objective" means—

(a) if the appropriate regulator is the FCA, any of its operational objectives;

(b) if the appropriate regulator is the Bank of England, the Financial Stability Objective.

"specified" means specified in the rules.

Disciplinary action by appropriate regulator

309Z2 Power to take disciplinary action for misconduct

(1) Subsection (2) applies if—

(a) it appears to the appropriate regulator that a person is guilty of misconduct (see section 309Z3), and

(b) the appropriate regulator is satisfied that it is appropriate in all the circumstances to take action against the person.

(2) The appropriate regulator may do one or more of the following—

(a) publish a statement of the person's misconduct;

(b) impose a penalty on the person of such amount as the appropriate regulator considers appropriate;

(c) suspend an approval of the performance of a function by the person under section 309G for such period as the appropriate regulator considers appropriate;

(d) impose such conditions as the appropriate regulator considers appropriate in relation to such an approval for such period as the appropriate regulator considers appropriate;

(e) limit the period for which such an approval is to have effect.

(3) Where the appropriate regulator takes action described in subsection (2)(c), (d) or (e)—

(a) it may not suspend an approval for more than 2 years;

(b) it may not impose conditions which have effect for more than 2 years;

(c) it may impose a condition so as to, among other things, require a person to take, or refrain from taking, specified action;

(d) it may impose a suspension, condition or limitation that has effect in relation to part of a function.

(4) The appropriate regulator that has taken action described in subsection (2)(c), (d) or (e) may (at any time)—

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(a) withdraw a suspension, condition or limitation;

(b) vary a suspension or condition so as to reduce the period for which it has effect or otherwise to limit its effect;

(c) vary a limitation so as to increase the period for which the approval is to have effect.

(5) The appropriate regulator may not take action under this section after the end of the period of 6 years beginning with the first day on which the appropriate regulator knew of the misconduct unless, before the end of that period, it gave a warning notice to the person concerned under section 309Z4.

(6) For the purposes of subsection (5), the appropriate regulator is to be treated as knowing of misconduct if it has information from which the misconduct can reasonably be inferred.

(7) When a suspension is in force under subsection (2)(c) in relation to part of a function, the references in section 309G and 309U to the performance of a function include the performance of part of a function.

(8) If at any time a condition imposed under subsection (2)(d) is contravened, the approval in relation to the person concerned is to be treated for the purposes of sections 309G and 309U as if it had been withdrawn at that time.

309Z3 Meaning of "misconduct"

(1) For the purposes of section 309Z2, a person is guilty of misconduct if any of conditions A to C is met.

(2) Condition A is that—

(a) the person has at any time failed to comply with rules made under section 309Z1, and

(b) at that time the person was—

(i) a Part 18 approved person,

(ii) an employee of a relevant recognised body, or

(iii) a director of a relevant recognised body.

(3) Condition B is that—

(a) the person has at any time after the passing of this Act been knowingly concerned in a contravention by a relevant recognised body of a relevant requirement, and

(b) at that time the person was—

(i) a Part 18 approved person in relation to the relevant recognised body,

(ii) an employee of the relevant recognised body, or

(iii) a director of the relevant recognised body.

(4) Condition C is that—

(a) the person has at any time been a Part 18 approved person in relation to a relevant recognised body,

(b) at that time there was, or continued to be, a contravention by the body of a relevant requirement,

(c) the person was at that time responsible for the management of any of the body's activities in relation to which the contravention occurred, and

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(d) the person did not take such steps as a person in that position could reasonably be expected to take to avoid the contravention occurring or continuing.

(5) In this section—

"Part 18 approved person"—

(a) means a person in relation to whom an approval is given under section 309G, and

(b) in relation to a relevant recognised body, means a person in relation to whom such approval is given on the application of the relevant recognised body;

"relevant requirement" has the meaning given by section 312E(2) and (3).

309Z4 Procedure for disciplinary action

(1) If the appropriate regulator proposes to take action against a person under section 309Z2, it must—

(a) give the person a warning notice, and

(b) in the case of proposed action under section 309Z2(2)(c), (d) or (e), give each of the other interested parties a warning notice.

(2) A warning notice under this section about a proposal to publish a statement of a person's misconduct must set out the terms of the statement.

(3) A warning notice under this section about a proposal to impose a penalty must state the amount of the penalty.

(4) A warning notice under this section about—

(a) a proposal to suspend an approval given under section 309G, or

(b) a proposal to impose a condition in relation to such an approval,

must state the period for which the suspension or condition is to have effect.

(5) A warning notice under this section about a proposal to limit the period for which an approval under section 309G is to have effect must state the length of that period.

(6) If the appropriate regulator decides to take action against a person under section 309Z2, it must—

(a) give the person a decision notice, and

(b) in the case of proposed action under section 309Z2(2)(c), (d) or (e), give each of the other interested parties a copy of the decision notice.

(7) A decision notice under this section about the publication of a statement of a person's misconduct must set out the terms of the statement.

(8) A decision notice under this section about the imposition of a penalty must state the amount of the penalty.

(9) A decision notice under this section about—

(a) the suspension of an approval given under section 309G, or

(b) the imposition of a condition in relation to such an approval,

must state the period for which the suspension or condition is to have effect.

(10) A decision notice under this section about limiting the period for which an approval under section 309G is to have effect must state the length of that period.

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(11) If the appropriate regulator decides to take action against a person under section 309Z2—

(a) the person may refer the matter to the Tribunal, and

(b) in the case of proposed action under section 309Z2(2)(c), (d) or (e), each of the other interested parties may also refer the matter to the Tribunal.

(12) After a statement of a person's misconduct is published under section 309Z2, the appropriate regulator must send a copy of it to—

(a) the person concerned, and

(b) any person to whom a copy of the decision notice was given.

(13) In this section—

"Part 18 approved person", in relation to a relevant recognised body, has the meaning given by section 309Z3(5);

"the other interested parties", in relation to a Part 18 approved person in relation to a relevant recognised body, are—

(a) the relevant recognised body, and

(b) the person by whom the Part 18 approved person's services are retained, if different from the relevant recognised body.

309Z5 Statement of policy about disciplinary action

(1) The appropriate regulator must prepare and issue a statement of its policy with respect to—

(a) the imposition of penalties, suspensions, conditions or limitations under section 309Z2,

(b) the amount of penalties under that section,

(c) the period for which suspensions or conditions under that section are to have effect, and

(d) the period for which approvals under section 309G are to have effect as a result of a limitation under section 309Z2.

(2) The appropriate regulator's policy in determining what the amount of a penalty should be, or what the period for which a suspension or restriction is to have effect should be, must include having regard to—

(a) the seriousness of the misconduct in question,

(b) the extent to which that misconduct was deliberate or reckless, and

(c) whether the person against whom action is to be taken is an individual.

(3) The appropriate regulator—

(a) may alter or replace a statement issued under this section, and

(b) if it does so, must issue the altered or replacement statement.

(4) In exercising, or deciding whether to exercise, its power under section 309Z2 in the case of particular misconduct, the appropriate regulator must have regard to any statement of policy published under this section and in force at the time when the misconduct in question occurred.

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309Z6 Procedure for statement of policy about disciplinary action

(1) Before the appropriate regulator issues a statement under section 309Z5(1) or (3), it must publish a draft of the proposed statement in the way appearing to it to be best calculated to bring it to the attention of the public.

(2) The draft statement must be accompanied by a notice stating that representations about the proposal may be made to the appropriate regulator within a period specified in the notice.

(3) Before issuing the proposed statement, the appropriate regulator must have regard to any representations made to it in accordance with subsection (2).

(4) If the appropriate regulator issues the proposed statement it must publish the following in the way appearing to the appropriate regulator to be best calculated to bring it to the attention of the public—

(a) the statement,

(b) an account, in general terms, of the representations made to the appropriate regulator in accordance with subsection (2) and the appropriate regulator's response to them, and

(c) if the statement differs from the draft published under subsection (1) in a way which the appropriate regulator considers significant, details of the difference.

(5) The appropriate regulator may charge a reasonable fee for providing a person with—

(a) a copy of a draft statement published under subsection (1), or

(b) a copy of a statement published under subsection (4)(a).

(6) The appropriate regulator must, without delay, give the Treasury a copy of any statement which it publishes under subsection (4)(a).

Interpretation

309Z7 Interpretation of Chapter 2A

(1) In this Chapter—

"director", in relation to a relevant recognised body, means a member of the board of directors of the body or, if there is no such board, the equivalent body responsible for the management of the body;

"employee", in relation to a relevant recognised body, includes a person who—

(a) personally provides, or is under an obligation personally to provide, services to the body under an arrangement made between the body and the person providing the services or another person, and

(b) is subject to, or to the right of, supervision, direction or control by the body as to the manner in which those services are provided;

"relevant recognised body" has the meaning given in section 309A;

"senior management function" and "designated senior management function" have the meanings given in section 309G (see subsections (3) and (5) of that section).

(2) In this Chapter, references to performing a designated senior management function without approval have the meaning given in section 309U(3).

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Application of this Chapter to credit rating agencies

309Z8 Power to apply this Chapter to credit rating agencies

(1) The Treasury may by regulations provide for this Chapter, or any provision of this Chapter, to apply (with or without modifications) in relation to—

(a) registered credit rating agencies, or

(b) registered credit rating agencies of descriptions specified in the regulations.

(2) Regulations under subsection (1) must provide for the FCA to be the appropriate regulator in relation to a registered credit rating agency to which any provision of this Chapter is applied by the regulations.

(3) Regulations under subsection (1) may modify legislation (including any provision of, or made under, this Act).

(4) Before making regulations under subsection (1), the Treasury must consult—

(a) the FCA, and

(b) such other persons who appear to the Treasury to be representative of persons likely to be affected by the application of this Chapter to registered credit rating agencies, or registered credit rating agencies of descriptions specified in the regulations.

(5) In this section—

"legislation" means primary legislation, subordinate legislation (within the meaning of the Interpretation Act 1978) and **[**[F2315]assimilated direct**]** legislation, but does not include rules or other instruments made by any regulator;

"modify" includes amend, repeal or revoke;

"registered credit rating agency" means a credit rating agency registered in accordance with Regulation (EC) No 1060/2009 of the European Parliament and the Council of 16 September 2009 on credit rating agencies.**]**

Textual Amendments

F2315 Words in s. 309Z8(5) substituted (1.1.2024) by The Retained EU Law (Revocation and Reform) Act 2023 (Consequential Amendment) Regulations 2023 (S.I. 2023/1424), reg. 1(2), **Sch. para. 44(4)(r)**

CHAPTER III

EXCLUSION FROM THE COMPETITION ACT 1998

[F2316]311 The Chapter I prohibition.

. . . . . .

Textual Amendments

F2316 Pt. 18 Ch. 3omitted (1.4.2013) by virtue of Financial Services Act 2012 (c. 21), **ss. 34(b)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

Status: *This version of this Act contains provisions that are prospective.*
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F2316 312 The Chapter II prohibition.

. . . . . .

Textual Amendments

F2316 Pt. 18 Ch. 3omitted (1.4.2013) by virtue of Financial Services Act 2012 (c. 21), **ss. 34(b)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

CHAPTER 3A

PASSPORT RIGHTS

EEA market operators in United Kingdom

F2317 312A Exercise of passport rights by EEA market operator

. . . . . .

Textual Amendments

F2317 Pt. 18 Ch. 3A omitted (31.12.2020) by virtue of The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(3), **7** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F2317 312B Removal of passport rights from EEA market operator

. . . . . .

Textual Amendments

F2317 Pt. 18 Ch. 3A omitted (31.12.2020) by virtue of The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(3), **7** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

Recognised investment exchanges operating in EEA States (other than the United Kingdom)

F2317 312C Exercise of passport rights by recognised investment exchange

. . . . . .

Textual Amendments

F2317 Pt. 18 Ch. 3A omitted (31.12.2020) by virtue of The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(3), **7** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

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Interpretation

[F2317]312D Interpretation of Chapter 3A

. . . . . .

Textual Amendments

F2317 Pt. 18 Ch. 3A omitted (31.12.2020) by virtue of The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(3), **7** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

[F2318]CHAPTER 3B

DISCIPLINARY MEASURES [F2319]IN RESPECT OF RECOGNISED BODIES]

Textual Amendments

F2318 Pt. 18 Ch. 3B inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), **ss. 33**, 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(b)(c), Sch. Pts. 2, 3; S.I. 2013/423, art. 3, Sch.

F2319 Words in Pt. 18 Ch. 3B heading inserted (29.6.2023 for specified purposes) by Financial Services and Markets Act 2023 (c. 29), s. 86(1)(e), **Sch. 10 para. 9**

Modifications etc. (not altering text)

C1055 Pt. 18 Ch. 3B applied (with modifications) (5.4.2024) by The Data Reporting Services Regulations 2024 (S.I. 2024/107), regs. 1(2), **19**; S.I. 2023/1382, **reg. 4(c)**

312E Public censure

(1) If the appropriate regulator considers that a recognised body [F2320]or data reporting service provider] has contravened a relevant requirement imposed on the body [F2321]or provider], it may publish a statement to that effect.

[F2322](1A) . . . . . .

(2) Where the FCA is the appropriate regulator, a requirement is a "relevant requirement" for the purposes of this Chapter if it is—

(a) a requirement that is imposed by or under any provision of this Part that relates to a recognised investment exchange [F2323]or data reporting service provider],

(b) a requirement that is imposed under any other provision of this Act by the FCA that relates to a recognised investment exchange,

(c) a requirement that is imposed by a [F2324]qualifying provision] specified, or of a description specified, for the purposes of this subsection by the Treasury by order, or

(d) a requirement that is imposed by this Act and whose contravention constitutes an offence that the FCA has power to prosecute under this Act (see section 401).

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(3) Where the Bank of England is the appropriate regulator, a requirement is a "relevant requirement" for the purposes of this Chapter if it is—

(a) a requirement that is imposed by or under any provision of this Part that relates to a recognised clearing house **[**F2325, third country central counterparty or a recognised CSD**]**,

(b) a requirement that is imposed under any other provision of this Act by the Bank,

(c) a requirement that is imposed by **[**F2326or under**]** a **[**F2327qualifying provision**]** specified, or of a description specified, for the purposes of this subsection by the Treasury by order, or

(d) a requirement that is imposed by this Act and whose contravention constitutes an offence that the Bank has power to prosecute under this Act (see section 401, as applied by paragraph 31 of Schedule 17A).

[F2328(4) In this Chapter "data reporting service provider" has the meaning given by regulation 2 of the **[**F2329Data Reporting Services Regulations 2024**].]**

Textual Amendments

F2320 Words in s. 312E(1) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 11(5)(a)(i)**, 86(3); S.I. 2023/779, reg. 4(g)

F2321 Words in s. 312E(1) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 11(5)(a)(ii)**, 86(3); S.I. 2023/779, reg. 4(g)

F2322 S. 312E(1A) omitted (31.12.2020) by virtue of The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(3), **8(2)(a)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F2323 Words in s. 312E(2)(a) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 11(5)(b)**, 86(3); S.I. 2023/779, reg. 4(g)

F2324 Words in s. 312E(2)(c) substituted (31.12.2020) by The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(3), **8(2)(b)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F2325 Words in s. 312E(3)(a) substituted (31.12.2020) by The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(3), **8(2)(c)(i)** (as substituted by S.I. 2020/646, regs. 1(2)(c), **11(2)** (with savings in S.I. 2019/680, reg. 11 as amended by S.I. 2020/646, reg. 12))

F2326 Words in s. 312E(3)(c) inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **2(27)(b)(ii)** (with regs. 7(4), 9(1))

F2327 Words in s. 312E(3)(c) substituted (31.12.2020) by The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(3), **8(2)(c)(ii)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F2328 S. 312E(4) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 11(5)(c)**, 86(3); S.I. 2023/779, reg. 4(g)

F2329 Words in s. 312E(4) substituted (5.4.2024) by The Data Reporting Services Regulations 2024 (S.I. 2024/107), regs. 1(2), **31**; S.I. 2023/1382, reg. 4(c)

Modifications etc. (not altering text)

C1056 Ss. 312E-312I restricted (1.4.2013) by The Financial Services Act 2012 (Transitional Provisions) (Enforcement) Order 2013 (S.I. 2013/441), arts. 1(1), **13**

C1057 S. 312E applied (with modifications) (13.7.2016) by The Financial Services and Markets Act 2000 (Transparency of Securities Financing Transactions and of Reuse) Regulations 2016 (S.I. 2016/715), regs. 1(2), **13**

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C1058 S. 312E applied (with modifications) (7.12.2018) by The Central Securities Depositories (Amendment) (EU Exit) Regulations 2018 (S.I. 2018/1320), regs. 1(2), **26(3)** (as amended (31.1.2020 immediately before exit day) by The Financial Services (Consequential Amendments) Regulations 2020 (S.I. 2020/56), **regs. 1**, 10(b))

312F Financial penalties

[If the appropriate regulator considers that a recognised body **[**F2331 or data reporting F2330(1)**]** service provider**]** has contravened a relevant requirement imposed on the body **[**F2332 or provider**]**, it may impose on the body **[**F2332 or provider**]** a penalty, in respect of the contravention, of such amount as it considers appropriate.

F2333(2) . . . . . .

Textual Amendments

F2330 S. 312F renumbered as s. 312F(1) (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **2(28)(a)** (with regs. 7(4), 9(1))

F2331 Words in s. 312F(1) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 11(6)(a)**, 86(3); S.I. 2023/779, reg. 4(g)

F2332 Words in s. 312F(1) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 11(6)(b)**, 86(3); S.I. 2023/779, reg. 4(g)

F2333 S. 312F(2) omitted (31.12.2020) by virtue of The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(3), **8(3)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

Modifications etc. (not altering text)

C1056 Ss. 312E-312I restricted (1.4.2013) by The Financial Services Act 2012 (Transitional Provisions) (Enforcement) Order 2013 (S.I. 2013/441), arts. 1(1), **13**

C1059 S. 312F applied (with modifications) (13.7.2016) by The Financial Services and Markets Act 2000 (Transparency of Securities Financing Transactions and of Reuse) Regulations 2016 (S.I. 2016/715), regs. 1(2), **13**

[F2334 **[**F2335 312FA. Central securities depositories: further disciplinary measures

(1) If the Bank of England considers that a contravention by a recognised CSD of a relevant requirement occurred with the consent or connivance of, or was attributable to any neglect on the part of, a member of the management body or other person who effectively controls the business of the recognised CSD, the Bank of England may do one or both of the following—

(a) publish a statement to that effect;

(b) impose on that person a penalty, in respect of the contravention, of such amount as it considers appropriate.

(2) If the Bank of England considers that a member of the management body or other person who effectively controls the business of a recognised CSD is responsible for a contravention by the central securities depository of a relevant requirement, it may do one or more of the following—

(a) publish a statement to that effect;

(b) impose on that person a penalty, in respect of the contravention, of such amount as it considers appropriate;

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(c) prohibit that person from holding an office or position involving responsibility for taking decisions about the management of the recognised CSD.

(3) A prohibition under subsection (2)(c) may apply—

(a) for a specified period,

(b) until further notice, or

(c) for repeated serious contraventions, permanently.

(4) The Bank of England may, on the application of the person subject to a prohibition under subsection (2)(c), vary or revoke the prohibition.

F2336(5) . . . . . .]]

Textual Amendments

F2334 S. 312FA inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **2(29)** (with regs. 7(4), 9(1))

F2335 S. 312FA omitted (29.6.2023 for specified purposes) by virtue of Financial Services and Markets Act 2023 (c. 29), s. 86(1)(e), **Sch. 10 para. 10**

F2336 S. 312FA(5) omitted (31.12.2020) by virtue of The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(3), **8(4)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

312G Proposal to take disciplinary measures

[F2337(1) If the appropriate regulator proposes to impose a sanction—

(a) on a recognised body **[**F2338or data reporting service provider**]** under section 312E or 312F, or

(b) on a person under section 312FA,

it must give the body **[**F2339, provider**]** or person (as the case may be) a warning notice.**]**

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

(3) A warning notice about a proposal to impose a penalty must state the amount of the penalty.

[A warning notice about a proposal to impose a prohibition must specify the extent of
F2340(4) the prohibition.

F2341(5) . . . . . .**]**

Textual Amendments

F2337 S. 312G(1) substituted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **2(30)(a)** (with regs. 7(4), 9(1))

F2338 Words in s. 312G(1)(a) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 11(7)(a)**, 86(3); S.I. 2023/779, reg. 4(g)

F2339 Words in s. 312G(1) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 11(7)(b)**, 86(3); S.I. 2023/779, reg. 4(g)

F2340 S. 312G(4)(5) inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **2(30)(b)** (with regs. 7(4), 9(1))

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F2341 S. 312G(5) omitted (31.12.2020) by virtue of The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(3), **8(5)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

Modifications etc. (not altering text)

C1056 Ss. 312E-312I restricted (1.4.2013) by The Financial Services Act 2012 (Transitional Provisions) (Enforcement) Order 2013 (S.I. 2013/441), arts. 1(1), **13**

C1060 S. 312G applied (with modifications) (13.7.2016) by The Financial Services and Markets Act 2000 (Transparency of Securities Financing Transactions and of Reuse) Regulations 2016 (S.I. 2016/715), regs. 1(2), **13**

312H Decision notice

[F2342(1) If the appropriate regulator decides to impose a sanction—

(a) on a recognised body **[**F2343or data reporting service provider**]** under section 312E or 312F, or

(b) on a person under section 312FA,

it must give the body **[**F2344, provider**]** or person (as the case may be) a decision notice.**]**

(2) In the case of a statement, the decision notice must set out the terms of the statement.

(3) In the case of a penalty, the decision notice must state the amount of the penalty.

[In the case of a prohibition, the decision notice must specify the extent of the F2345(3A) prohibition.

(3B) The sanction which the appropriate regulator decides to impose may differ from that proposed in the warning notice.**]**

[F2346(4) If the appropriate regulator decides to impose a sanction—

(a) on a recognised body **[**F2347or data reporting service provider**]** under section 312E or 312F, or

(b) on a person under section 312FA,

the body **[**F2348, provider**]** or person (as the case may be) may refer the matter to the Tribunal.

F2349(5) . . . . . .**]**

Textual Amendments

F2342 S. 312H(1) substituted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **2(31)(a)** (with regs. 7(4), 9(1))

F2343 Words in s. 312H(1) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 11(8)(a)(ii)**, 86(3); S.I. 2023/779, reg. 4(g)

F2344 Words in s. 312H(1)(a) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 11(8)(a)(i)**, 86(3); S.I. 2023/779, reg. 4(g)

F2345 S. 312H(3A)(3B) inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **2(31)(b)** (with regs. 7(4), 9(1))

F2346 S. 312H(4) substituted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **2(31)(c)** (with regs. 7(4), 9(1))

F2347 Words in s. 312H(4)(a) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 11(8)(b)(i)**, 86(3); S.I. 2023/779, reg. 4(g)

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F2348 Word in s. 312H(4) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 11(8)(b)(ii)**, 86(3); S.I. 2023/779, reg. 4(g)
F2349 S. 312H(5) omitted (31.12.2020) by virtue of The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(3), **8(6)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

Modifications etc. (not altering text)
C1056 Ss. 312E-312I restricted (1.4.2013) by The Financial Services Act 2012 (Transitional Provisions) (Enforcement) Order 2013 (S.I. 2013/441), arts. 1(1), **13**
C1061 S. 312H applied (with modifications) (13.7.2016) by The Financial Services and Markets Act 2000 (Transparency of Securities Financing Transactions and of Reuse) Regulations 2016 (S.I. 2016/715), regs. 1(2), **13**

312I Publication

After an appropriate regulator publishes a statement under section 312E **[**F2350 or 312FA**]**, it must send a copy of the statement to—

(a) the recognised body **[**F2351, data reporting service provider**]**F2352**[**F2353... or person**]** concerned, and

(b) any person to whom a copy of the decision notice was given under section 393(4).

Textual Amendments
F2350 Words in s. 312I inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **2(32)(a)** (with regs. 7(4), 9(1))
F2351 Words in s. 312I(a) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 11(9)**, 86(3); S.I. 2023/779, reg. 4(g)
F2352 Words in s. 312I(a) omitted (31.12.2020) by virtue of The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(3), **8(7)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)
F2353 Words in s. 312I(a) inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **2(32)(b)** (with regs. 7(4), 9(1))

Modifications etc. (not altering text)
C1056 Ss. 312E-312I restricted (1.4.2013) by The Financial Services Act 2012 (Transitional Provisions) (Enforcement) Order 2013 (S.I. 2013/441), arts. 1(1), **13**
C1062 S. 312I applied (with modifications) (13.7.2016) by The Financial Services and Markets Act 2000 (Transparency of Securities Financing Transactions and of Reuse) Regulations 2016 (S.I. 2016/715), regs. 1(2), **13**

312J Statement of policy

(1) Each appropriate regulator must prepare and issue a statement of its policy with respect to—

(a) the imposition of penalties under **[**F2354 sections 312F and 312FA and prohibitions under section 312FA**]**, F2355...

(b) the amount of penalties under **[**F2356 those sections**]****[**F2357; and

(c) the period for which prohibitions under section 312FA are to have effect**]**.

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(2) An appropriate regulator's policy in determining what the amount of a penalty should be **[**[F2358], or what the period for which a prohibition is to have effect should be,**]** must include having regard to—

(a) the seriousness of the contravention in question in relation to the nature of the requirement concerned, [F2359]...

(b) the extent to which that contravention was deliberate or reckless **[**[F2360]; and

(c) whether the person against whom action is to be taken is an individual**]**.

(3) An appropriate regulator may at any time alter or replace a statement issued by it under this section.

(4) If a statement issued by an appropriate regulator under this section is altered or replaced, the regulator must issue the altered or replacement statement.

(5) In exercising, or deciding whether to exercise, its power under section 312F **[**[F2361]or 312FA**]** in the case of any particular contravention, an appropriate regulator must have regard to any statement of policy published by it under this section and in force at a time when the contravention in question occurred.

(6) A statement issued by an appropriate regulator under this section must be published by the regulator in the way appearing to the regulator to be best calculated to bring it to the attention of the public.

(7) An appropriate regulator may charge a reasonable fee for providing a person with a copy of the statement.

(8) An appropriate regulator must, without delay, give the Treasury a copy of any statement which it publishes under this section.

Textual Amendments

F2354 Words in s. 312J(1)(a) substituted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **2(33)(a)(i)** (with regs. 7(4), 9(1))

F2355 Word in s. 312J(1) omitted (28.11.2017) by virtue of The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **2(33)(a)(ii)** (with regs. 7(4), 9(1))

F2356 Words in s. 312J(1)(b) substituted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **2(33)(a)(iii)** (with regs. 7(4), 9(1))

F2357 S. 312J(1)(c) and word inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **2(33)(a)(iv)** (with regs. 7(4), 9(1))

F2358 Words in s. 312J(2) inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **2(33)(b)(i)** (with regs. 7(4), 9(1))

F2359 Word in s. 312J(2) omitted (28.11.2017) by virtue of The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **2(33)(b)(ii)** (with regs. 7(4), 9(1))

F2360 S. 312J(2)(c) and word inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **2(33)(b)(iii)** (with regs. 7(4), 9(1))

F2361 Words in s. 312J(5) inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **2(33)(c)** (with regs. 7(4), 9(1))

Modifications etc. (not altering text)

C1063 S. 312J applied by S.I. 2014/2879, reg. 5C(8) (as inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **5(9)** (with regs. 7(4), 9(1)))

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312K Statement of policy: procedure

(1) Before issuing a statement under section 312J, an appropriate regulator must publish a draft of the proposed statement in the way appearing to the regulator to be best calculated to bring it to the attention of the public.

(2) The draft must be accompanied by notice that representations about the proposal may be made to the regulator within a specified time.

(3) Before issuing the proposed statement, the regulator must have regard to any representations made to it in accordance with subsection (2).

(4) If the regulator issues the proposed statement it must publish an account, in general terms, of—

(a) the representations made to it in accordance with subsection (2), and

(b) its response to them.

(5) If the statement differs from the draft published under subsection (1) in a way which is, in the opinion of the regulator, significant, the regulator must (in addition to complying with subsection (4)) publish details of the difference.

(6) An appropriate regulator may charge a reasonable fee for providing a person with a copy of a draft published under subsection (1).

(7) This section also applies to a proposal to alter or replace a statement.**]**

Modifications etc. (not altering text)
C1064S. 312K applied by S.I. 2014/2879, reg. 5C(8) (as inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **5(9)** (with regs. 7(4), 9(1)))

[F2362CHAPTER 3C

CRITICAL THIRD PARTIES

Textual Amendments
F2362 Pt. 18 Ch. 3C inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 18(3)**, 86(3); S.I. 2023/779, reg. 4(m)

312L Critical third parties

(1) The Treasury may by regulations designate a person who provides services to one or more authorised persons, relevant service providers or FMI entities as a "critical third party".

(2) The Treasury may designate a person under subsection (1) only if in the Treasury's opinion a failure in, or disruption to, the provision of those services (either individually or, where more than one service is provided, taken together) could threaten the stability of, or confidence in, the UK financial system.

(3) The Treasury must have regard to the following factors when forming an opinion for the purposes of subsection (2)—

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(a) the materiality of the services provided to the delivery, by any person, of essential activities, services or operations (wherever carried out);

(b) the number and type of authorised persons, relevant service providers or FMI entities to which the person provides services.

(4) Before making regulations under subsection (1) the Treasury must—

(a) consult each of the relevant regulators and such other persons as the Treasury consider appropriate,

(b) give notice in writing to the person to be designated specifying a reasonable period within which that person may make representations in writing about the proposal to the Treasury, and

(c) have regard to any representations made to them in accordance with paragraph (b).

(5) The Treasury may not designate the Bank of England under subsection (1).

(6) Each of the following is a relevant regulator for the purposes of this Chapter—

(a) the FCA,

(b) the PRA, and

(c) the Bank of England.

(7) Activities, services or operations are "essential" for the purposes of subsection (3) if they are essential to—

(a) the economy of the United Kingdom, or

(b) the stability of, or confidence in, the UK financial system.

(8) In this Chapter—

"critical third party" means a person designated under subsection (1);

"FMI entity" means—

(a) a recognised clearing house;

(b) a recognised CSD;

(c) a recognised investment exchange which is not an overseas investment exchange;

(d) a recognised payment system under section 184 of the Banking Act 2009;

(e) a person specified as a service provider in relation to a recognised payment system under section 206A of the Banking Act 2009;

"relevant service provider" means—

(a) an electronic money institution as defined by regulation 2(1) of the Electronic Money Regulations 2011 (S.I. 2011/99);

(b) an authorised payment institution, small payment institution or registered account information services provider as defined by regulation 2(1) of the Payment Services Regulations 2017 (S.I. 2017/752);

"service" includes facility.

312M Power to make rules

(1) A relevant regulator may make such rules imposing duties on critical third parties in connection with the provision of services to authorised persons, relevant service

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providers and FMI entities as appear to the regulator to be necessary or expedient for the purpose of advancing any of its objectives.

(2) The reference in subsection (1) to a relevant regulator's objectives is a reference to—

(a) where the regulator is the FCA, one or more of its operational objectives;

(b) where the regulator is the PRA, one or more of its objectives;

(c) where the regulator is the Bank, the Bank's Financial Stability Objective.

(3) In the application of Part 9A to rules made by the FCA or the PRA under this section, the following provisions apply with the modifications specified in this subsection—

(a) section 137T (general supplementary powers) applies as if—

(i) the reference in paragraph (a) to "authorised persons, activity or investment" were a reference to "critical third parties or services", and

(ii) in paragraph (b) for the words from "as" to the end there were substituted "or the Bank, or standards issued by any other person, as those rules or standards have effect from time to time,";

(b) section 138B (publication of directions) applies as if subsection (4) were omitted;

(c) section 138F (notification of rules) applies as if subsections (1A) and (2) were omitted;

(d) section 138I (consultation) applies as if the reference in subsection (1)(a) to the "PRA" were a reference to the "PRA and the Bank";

(e) section 138J (consultation) applies as if the reference in subsection (1)(a) to the "FCA" were a reference to the "FCA and the Bank".

312N Power of direction

(1) A relevant regulator may, if it appears to the regulator to be necessary or expedient for the purpose of advancing any of its objectives, direct a critical third party to—

(a) do anything specified in the direction, or

(b) refrain from doing anything specified in the direction.

(2) A direction under this section—

(a) must be given by notice in writing,

(b) may be expressed to have effect during a specified period or until revoked, and

(c) may specify the way in which, and the time by which, a thing is to be done.

(3) Subsection (4) applies if a direction is given to a critical third party for the purpose of resolving or reducing a threat to the stability or integrity of the UK financial system.

(4) The critical third party (including the critical third party's officers and staff) has immunity from liability in damages in respect of action or inaction in accordance with the direction.

(5) A direction given for the purpose mentioned in subsection (3) must—

(a) include a statement that it is given for that purpose, and

(b) inform the critical third party of the effect of subsection (4).

(6) An immunity conferred by this section does not extend to action or inaction—

(a) in bad faith, or

(b) in contravention of section 6(1) of the Human Rights Act 1998.

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(7) A relevant regulator may at any time revoke a direction under this section by giving notice in writing to the critical third party to which the direction relates.

(8) The revocation of the direction does not affect the validity of anything previously done in accordance with it.

(9) For the purposes of this section the objectives of a relevant regulator are as described in section 312M(2).

312O Directions: procedure

(1) If a relevant regulator proposes to give a direction under section 312N, or gives such a direction with immediate effect, it must give written notice to the critical third party to which the direction is given (or is to be given) (the "relevant critical third party").

(2) A direction under section 312N takes effect—

(a) immediately, if the notice under subsection (1) states that this is the case,

(b) on such other date as may be specified in the notice, or

(c) if neither paragraph (a) or (b) applies, when the matter to which the notice relates is no longer open to review.

(3) A direction may be expressed to take effect immediately, or on a specified date, only if the relevant regulator reasonably considers that it is necessary for the direction to take effect immediately or on that date.

(4) The notice under subsection (1) must—

(a) give details of the direction,

(b) state the relevant regulator's reasons for the direction and for its determination as to when the direction takes effect,

(c) inform the relevant critical third party that it may make representations to the regulator within such period as may be specified in the notice (whether or not the critical third party has referred the matter to the Tribunal), and

(d) inform the relevant critical third party of its right to refer the matter to the Tribunal (including giving an indication of the procedure on such a reference).

(5) The relevant regulator may extend the period allowed under the notice for making representations.

(6) If, having considered any representations made by the relevant critical third party, the regulator decides—

(a) to give the direction proposed, or

(b) if the direction has been given, not to revoke the direction,

it must give the critical third party written notice.

(7) If, having considered any representations made by the relevant critical third party, the regulator decides—

(a) not to give the direction proposed,

(b) to give a different direction, or

(c) to revoke a direction which has effect,

it must give the critical third party written notice.

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(8) A notice given under subsection (6) must inform the relevant critical third party of its right to refer the matter to the Tribunal (including giving an indication of the procedure on such a reference).

(9) A notice under subsection (7)(b) must comply with subsection (4).

(10) For the purposes of subsection (2)(c), whether a matter is open to review is to be determined in accordance with section 391(8).

312P Information gathering and investigations

(1) The provisions of Part 11 (information gathering and investigations) mentioned in this section are to apply in relation to this Chapter in accordance with the provision made by this section.

(2) In any case where subsection (1) applies—

(a) any reference in Part 11 to the FCA or PRA which is contained in, or relates to, any of those provisions (however expressed) is to be read as a reference to a relevant regulator, and

(b) Part 11 has effect with any other necessary modifications.

(3) The powers conferred by section 165(1) and (3) (power to require information) are exercisable by a relevant regulator or (as the case may be) a relevant regulator's officers to impose requirements on a critical third party or a person connected with a critical third party.

(4) The information or documents that a relevant regulator may require to be produced or provided in accordance with subsection (3) are limited to information and documents reasonably required in connection with the exercise by the relevant regulator of functions conferred on it by or under this Chapter (and accordingly section 165(4) does not apply).

(5) The power conferred by section 166 (reports by skilled person) is exercisable by a relevant regulator in relation to a critical third party or a person connected with a critical third party.

(6) The power conferred by section 166A (appointment of skilled person) is exercisable by a relevant regulator in relation to a critical third party.

(7) The power conferred by section 168(5) (appointment of persons to carry out investigations in particular cases) is exercisable by a relevant regulator if it appears to the relevant regulator that there are circumstances suggesting that a person may have contravened any requirement imposed by or under this Chapter.

(8) In addition to the powers conferred by section 171, a person conducting an investigation under section 168(5) as a result of subsection (7) is to have the powers conferred by sections 172 and 173 (and for this purpose any references in those sections to an investigator are to be read accordingly).

(9) The power under section 176(1) (entry of premises under warrant) is exercisable on information on oath given by or on behalf of a relevant regulator, or an investigator appointed by a relevant regulator, as if the reference to the third set of conditions were omitted.

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(10) For the purposes of this section a person is connected with a critical third party if that person is or has at any relevant time been—

(a) a member of the critical third party's group,

(b) a controller of the critical third party, or

(c) in relation to the critical third party, a person mentioned in Part 1 of Schedule 15 (reading references in that Part to the authorised person as references to the critical third party).

312Q Power of censure

If a relevant regulator considers that a critical third party has contravened a requirement imposed by or under this Chapter the regulator may publish a statement to that effect.

312R Disciplinary measures

(1) This section applies if a relevant regulator considers that a critical third party has contravened a requirement imposed by or under this Chapter.

(2) The relevant regulator may publish a notice—

(a) prohibiting the critical third party from entering into arrangements, or continuing, to provide services to authorised persons, relevant service providers or FMI entities;

(b) prohibiting authorised persons, relevant service providers or FMI entities who receive services from the critical third party from continuing to receive those services from that party;

(c) prohibiting authorised persons, relevant service providers or FMI entities from entering into arrangements for receipt of services from the critical third party;

(d) providing for the provision of any services by the critical third party to be subject to such conditions or limitations as are specified in the notice;

(e) providing for any receipt of services by authorised persons, relevant service providers or FMI entities from the critical third party to be subject to such conditions or limitations as are specified in the notice.

(3) A notice under subsection (2) may make different provision for different cases and may in particular make different provision in respect of different descriptions of services, authorised persons, FMI entities or relevant service providers.

(4) A relevant regulator may only exercise the powers under subsection (2) if the regulator is satisfied that—

(a) it is appropriate in the circumstances to take action against the critical third party,

(b) the exercise of the power will not threaten the stability of, or confidence in, the UK financial system, and

(c) it is desirable to exercise the power in order to advance one or more of the regulator's objectives.

(5) A relevant regulator may either on its own initiative or on an application by the critical third party concerned withdraw or vary a notice given by it under subsection (2) by publishing a further notice.

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(6) Publication under this section is to be made in such manner as the relevant regulator considers best designed to bring the publication to the attention of the public.

(7) Where a notice includes a prohibition, condition or limitation imposed under subsection (2), publication of a notice under this section must in particular be made in a manner appearing to the relevant regulator to be best designed to bring the notice to the attention of the persons to whom the prohibition, condition or limitation applies.

(8) A person who breaches a prohibition, condition or limitation imposed by a notice under this section is to be taken to have contravened a requirement imposed on the person under this Act.

(9) For the purposes of this section the objectives of a relevant regulator are as described in section 312M(2).

312S Procedure and right to refer to Tribunal

(1) If a relevant regulator proposes to publish a statement or notice under section 312Q or 312R, it must give the critical third party, authorised persons, relevant service providers or FMI entities to whom the statement or notice would relate a warning notice.

(2) A warning notice must set out the terms of the proposed statement or notice.

(3) If a relevant regulator decides to publish a statement or notice under section 312Q or 312R it must give the critical third party, authorised persons, relevant service providers or FMI entities to whom the statement or notice relates a decision notice.

(4) A decision notice must set out the terms of the statement or notice.

(5) If a relevant regulator decides to act under section 312N or 312Q a critical third party who is aggrieved may refer the matter to the Tribunal.

(6) If a relevant regulator decides to act under section 312R a critical third party, authorised person, relevant service provider or FMI entity who is aggrieved may refer the matter to the Tribunal.

312T Statement of policy relating to disciplinary measures

(1) The relevant regulators must prepare and publish a statement of policy with respect to the exercise of powers under section 312Q and section 312R.

(2) The relevant regulators may alter or replace a statement published under this section.

(3) The relevant regulators must publish a statement as altered or replaced under subsection (2).

(4) Publication under this section is to be made in such manner as the relevant regulators consider best designed to bring the publication to the attention of the public.

312U Duty to ensure co-ordinated exercise of functions etc

(1) The relevant regulators must co-ordinate the exercise of their respective functions conferred by or under this Chapter.

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(2) In complying with the duty in subsection (1) each relevant regulator must obtain information and advice from any of the other relevant regulators who may be expected to have relevant information or relevant expertise.

(3) The duty in subsection (1) applies only to the extent that compliance with the duty does not impose a burden on the relevant regulators that is disproportionate to the benefits of compliance.

(4) Before exercising any power conferred by or under this Chapter a relevant regulator must consult each of the other relevant regulators (where not otherwise required to do so).

312V Memorandum of understanding

(1) The relevant regulators must prepare and maintain a memorandum which describes in general terms—

(a) the role of the relevant regulators in relation to the exercise of functions conferred by or under this Chapter, and

(b) how they intend to comply with section 312U in relation to the exercise of such functions.

(2) The relevant regulators must review the memorandum at least once in each calendar year.

(3) The relevant regulators may revise a memorandum under this section.

(4) The relevant regulators must give the Treasury a copy of the memorandum and any revised memorandum.

(5) The Treasury must lay before Parliament a copy of any document received by them under this section.

(6) The relevant regulators must ensure that the memorandum as in force for the time being is published in the way appearing to them to be best calculated to bring it to the attention of the public.

(7) The memorandum need not relate to any aspect of compliance with section 312U if the relevant regulators consider—

(a) that publication of information about that aspect would be against the public interest, or

(b) that aspect is a technical or operational matter not affecting the public.

312W Application of provisions of this Act to this Chapter

The following provisions do not apply for the purposes of this Chapter—

(a) section 3D (duty to ensure co-ordinated exercise of functions);

(b) section 3E (memorandum of understanding);

(c) section 138D (actions for damages).**]**

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CHAPTER IV

Interpretation

313 Interpretation of Part XVIII.

(1) In this Part—

[F2363“application” means an application for a recognition order made under section 287 **[**F2364, 288 or 288A**]**;**]**

[F2365“applicant” means a **[**F2366person who**]** has applied for a recognition order;**]**

F2367…

[F2368“central counterparty” means a body corporate or unincorporated association which interposes itself between the counterparties to the contracts traded on one or more financial markets, becoming the buyer to every seller and the seller to every buyer;**]**

[F2368“central counterparty recognition order” means a recognition order made under section 290(1)(b);**]**

[F2368“clearing”, in relation to a central counterparty, means the process of establishing positions, including the calculation of net obligations and ensuring that financial instruments, cash, or both, are available to secure the exposures arising from those positions; and “clearing services”, in relation to a central counterparty, is to be read accordingly;**]**

[F2369“critical third party” has the same meaning as in Chapter 3C (see section 312L(8);**]**

[F2370“CSD recognition order” means a recognition order made under section 290(1)(d);**]**

F2371…

[F2368“the EMIR regulation” means Regulation (EU) 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories **[**F2372as **[**F2373it forms part of **[**F2374assimilated**]** law**]]**, and any **[**F2375reference to requirements contained in or to functions under the EMIR regulation includes a reference (as the case may be) to requirements contained in or to functions under—

((a)) any EU regulation, originally made under the EMIR regulation, which is **[**F2376assimilated direct**]** legislation; or

((b)) any subordinate legislation (within the meaning of the Interpretation Act 1978) made under the EMIR regulation on or after IP completion day;**]]**

[F2377“FMI functions”, in relation to the Bank of England, has the meaning given by section 30D(3) of the Bank of England Act 1998;**]**

[F2378“multilateral trading facility” means a UK multilateral trading facility as defined by Article 2(1)(14A) of the markets in financial instruments regulation;**]**

[F2379“organised trading facility” means a UK organised trading facility as defined by Article 2(1)(15A) of the markets in financial instruments regulation;**]**

F2380…

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"overseas applicant" means a body corporate or association which has neither its head office nor its registered office in the United Kingdom and which has applied for a recognition order;

"overseas investment exchange" means a body corporate or association which has neither its head office nor its registered office in the United Kingdom and in relation to which a recognition order is in force;

[F2381"overseas clearing house" means a body corporate or association which is not a central counterparty and has neither its head office nor its registered office in the United Kingdom and in relation to which a recognition order is in force;**]**

"recognised body" means a recognised investment exchange **[**F2382, a recognised clearing house or a recognised CSD**][**F2383, and in Chapter 3B also includes a third country central counterparty**]**;

[F2368"recognised central counterparty" has the meaning given in section 285;**]**

"recognised clearing house" has the meaning given in section 285;

[F2370"recognised CSD" has the meaning given in section 285;**]**

"recognised investment exchange" has the meaning given in section 285;

"recognition order" means an order made under section 290 or 292;

"recognition requirements" has the meaning given by section 286;

[F2384"regulated market" means a UK regulated market as defined by Article 2(1)(13A) of the markets in financial instruments regulation;**]**

"remedial direction" has the meaning given in section 308(8);

"revocation order" has the meaning given in section 297.

[F2385"Tier 2 third country central counterparty" means a third country central counterparty which has been determined by the Bank of England to be systemically important or likely to become systemically important in accordance with Article 25.2a of the EMIR regulation;**]**

[F2386"trading venue" means a multilateral trading facility, a regulated market or an organised trading facility.**]**

F2367 …

[F2387(1A) For the purposes of this Part, a clearing house does not include a central securities depository.**]**

(2) References in this Part to rules of an investment exchange (or a clearing house **[**F2388or central securities depository**]**) are to rules made, or conditions imposed, by the investment exchange (or the clearing house **[**F2388or central securities depository**]**) with respect to—

(a) recognition requirements;

(b) admission of persons to, or their exclusion from the use of, its facilities; or

(c) matters relating to its constitution.

(3) References in this Part to guidance issued by an investment exchange are references to guidance issued, or any recommendation made, in writing or other legible form and intended to have continuing effect, by the investment exchange to—

(a) all or any class of its members or users, or

(b) persons seeking to become members of the investment exchange or to use its facilities,

with respect to any of the matters mentioned in subsection (2)(a) to (c).

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(4) References in this Part to guidance issued by a clearing house are to guidance issued, or any recommendation made, in writing or other legible form and intended to have continuing effect, by the clearing house to—

(a) all or any class of its members, or

(b) persons using or seeking to use its services,

with respect to the provision by it or its members of clearing services **[**F2389or services falling within section 285(3)(b)**]**.

Textual Amendments

F2363 Words in s. 313(1) omitted (29.6.2023 for specified purposes) by virtue of Financial Services and Markets Act 2023 (c. 29), s. 86(1)(e), **Sch. 10 para. 11(a)**

F2364 Words in s. 313(1) substituted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **2(34)(a)(i)** (with regs. 7(4), 9(1))

F2365 Words in s. 313(1) omitted (29.6.2023 for specified purposes) by virtue of Financial Services and Markets Act 2023 (c. 29), s. 86(1)(e), **Sch. 10 para. 11(b)**

F2366 Words in s. 313(1) substituted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **2(34)(a)(ii)** (with regs. 7(4), 9(1))

F2367 Words in s. 313(1) omitted (1.4.2013) by virtue of The Financial Services and Markets Act 2000 (Over the Counter Derivatives, Central Counterparties and Trade Repositories) Regulations 2013 (S.I. 2013/504), regs. 1(2), **3(14)(c)** (with regs. 52-58)

F2368 Words in s. 313(1) inserted (1.4.2013) by The Financial Services and Markets Act 2000 (Over the Counter Derivatives, Central Counterparties and Trade Repositories) Regulations 2013 (S.I. 2013/504), regs. 1(2), **3(14)(a)** (with regs. 52-58)

F2369 Words in s. 313(1) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 19(2)**, 86(3); S.I. 2023/779, reg. 4(n)

F2370 Words in s. 313(1) inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **2(34)(a)(iv)** (with regs. 7(4), 9(1))

F2371 Words in s. 313(1) omitted (31.12.2020) by virtue of The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(3), **9(a)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F2372 Words in s. 313(1) inserted (27.2.2020) by The Financial Services and Markets Act 2000 (Central Counterparties, Investment Exchanges, Prospectus and Benchmarks) (Amendment) Regulations 2020 (S.I. 2020/117), regs. 1(2), **2**

F2373 Words in s. 313 substituted (31.12.2020 immediately before IP completion day) by The Securities Financing Transactions, Securitisation and Miscellaneous Amendments (EU Exit) Regulations 2020 (S.I. 2020/1385), regs. 1(4), **38(2)**

F2374 Word in s. 313(1) substituted (1.1.2024) by The Retained EU Law (Revocation and Reform) Act 2023 (Consequential Amendment) Regulations 2023 (S.I. 2023/1424), reg. 1(2), **Sch. para. 44(2)(f)**

F2375 Words in s. 313(1) substituted (31.12.2020) by The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(3), **9(b)** (as amended by S.I. 2020/1301, regs. 1, 3, **Sch. para. 37(c)**) (with savings in S.I. 2019/680, **reg. 11**); 2020 c. 1, **Sch. 5 para. 1(1)**

F2376 Words in s. 313(1) substituted (1.1.2024) by The Retained EU Law (Revocation and Reform) Act 2023 (Consequential Amendment) Regulations 2023 (S.I. 2023/1424), reg. 1(2), **Sch. para. 44(4)(s)**

F2377 Words in s. 313(1) inserted (1.1.2024 at 1.00 a.m. for specified purposes, 1.8.2024 in so far as not already in force) by Financial Services and Markets Act 2023 (c. 29), **ss. 50(3)**, 86(3); S.I. 2023/1382, regs. 10(f), 11(b)

F2378 Words in s. 313(1) substituted (31.12.2020) by The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(3), **9(c)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

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F2379 Words in s. 313(1) substituted (31.12.2020) by The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(3), **9(d)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F2380 Words in s. 313 omitted (1.4.2014) by virtue of The Enterprise and Regulatory Reform Act 2013 (Competition) (Consequential, Transitional and Saving Provisions) Order 2014 (S.I. 2014/892), art. 1(1), **Sch. 1 para. 129** (with art. 3)

F2381 Words in s. 313(1) substituted (1.4.2013) by The Financial Services and Markets Act 2000 (Over the Counter Derivatives, Central Counterparties and Trade Repositories) Regulations 2013 (S.I. 2013/504), regs. 1(2), **3(14)(b)** (with regs. 52-58)

F2382 Words in s. 313(1) substituted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **2(34)(a)(iii)** (with regs. 7(4), 9(1))

F2383 Words in s. 313(1) inserted (31.12.2020) by The Over the Counter Derivatives, Central Counterparties and Trade Repositories (Amendment, etc., and Transitional Provision) (EU Exit) Regulations 2020 (S.I. 2020/646), regs. 1(3), **2(4)(a)** (with savings in S.I. 2019/680, reg. 11 as amended by S.I. 2020/646, reg. 12)

F2384 Words in s. 313(1) substituted (31.12.2020) by The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(3), **9(e)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F2385 Words in s. 313(1) inserted (31.12.2020) by The Over the Counter Derivatives, Central Counterparties and Trade Repositories (Amendment, etc., and Transitional Provision) (EU Exit) Regulations 2020 (S.I. 2020/646), regs. 1(3), **2(4)(b)** (with savings in S.I. 2019/680, reg. 11 as amended by S.I. 2020/646, reg. 12)

F2386 Words in s. 313(1) inserted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 2 para. 38(d)** (with reg. 7)

F2387 S. 313(1A) inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **2(34)(b)** (with reg. 7(3)(a)(4), 9(1))

F2388 Words in s. 313(2) inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **2(34)(c)** (with regs. 7(4), 9(1))

F2389 Words in s. 313(4) inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 36(3)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

[F2390 PART 18A

SUSPENSION AND REMOVAL OF FINANCIAL INSTRUMENTS FROM TRADING

Textual Amendments

F2390 Pt. 18A inserted (1.4.2007 for certain purposes and 1.11.2007 otherwise) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2007 (S.I. 2007/126), regs. 1(2), 3(3), **Sch. 3 para. 1**

Modifications etc. (not altering text)

C1065 Pt. 18A: power to amend conferred (1.9.2023) by Financial Services Act 2021 (c. 22), **ss. 22(8)(b)**, 49(5); S.I. 2023/934, reg. 2(c)

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313A [F2391FCA's] power to require suspension or removal of financial instruments from trading

(1) The [F2392FCA] may, for the purpose of protecting—

(a) the interests of investors, or

(b) the orderly functioning of the financial markets,

require an institution [F2393or a class of institutions] to suspend or remove a financial instrument from trading.

[F2394(2) If the [F2392FCA] exercises the power conferred by subsection (1), the matter may be referred to the Tribunal by—

(a) the institution or, as the case may be, any institution in the class, or

(b) the issuer of the financial instrument (if any).]

(3) In this section, "trading" includes trading otherwise than on a [F2395trading venue] .

Textual Amendments

F2391 Word in Pt. 18A substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 36(b)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2392 Word in Pt. 18A substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 36(a)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2393 Words in s. 313A(1) inserted (9.4.2010) by The Financial Services and Markets Act 2000 (Amendments to Part 18A etc.) Regulations 2010 (S.I. 2010/1193), **reg. 2(2)**

F2394 S. 313A(2) substituted (9.4.2010) by The Financial Services and Markets Act 2000 (Amendments to Part 18A etc.) Regulations 2010 (S.I. 2010/1193), **reg. 2(3)**

F2395 Words in s. 313A(3) substituted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 2 para. 39** (with reg. 7)

313B Suspension or removal of financial instruments from trading: procedure

(1) A requirement imposed on an institution under section 313A (a "relevant requirement") takes effect—

(a) immediately, if the notice given under subsection (2) states that this is the case;

(b) in any other case, on such date as may be specified in the notice.

(2) If the [F2392FCA] proposes to impose a relevant requirement on an institution, [F2396or a class of institutions,] or imposes such a requirement with immediate effect, it must give written notice to[F2397 give notice—

(a) by written notice to—

(i) the institution or, as the case may be, each institution in the class, and

(ii) the issuer of the financial instrument in question (if any); or

(b) by publishing a notice by means of a regulatory information service.]

(3) [F2398A notice given under subsection (2)(a)] must—

(a) give details of the relevant requirement;

(b) state the [F2391FCA's] reasons for imposing the requirement and choosing the date on which it took effect or takes effect;

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(c) inform the recipient that he may make representations to the **[**F2392FCA**]** within such period as may be specified by the notice (whether or not he has referred the matter to the Tribunal);

(d) inform him of the date on which the requirement took effect or takes effect; and

(e) inform him of his right to refer the matter to the Tribunal and give an indication of the procedure on such a reference.

F2399(3A) **[** A notice published under subsection (2)(b) must—

(a) give details of the relevant requirement;

(b) specify the institution, or the class of institutions, to which it applies;

(c) state the **[**F2391FCA's**]** reasons for imposing the requirement and choosing the date on which it took effect or takes effect;

(d) state that any institution to which the requirement applies or the issuer of the financial instrument in question may make representations to the **[**F2392FCA**]** within such period as may be specified by the notice (whether or not the institution or the issuer has referred the matter to the Tribunal);

(e) state the date on which the requirement took effect or takes effect; and

(f) state that any institution to which the requirement applies or the issuer of the financial instrument in question has a right to refer the matter to the Tribunal, and give an indication of the procedure on such a reference.**]**

(4) The **[**F2392FCA**]** may extend the period within which representations may be made to it.

(5) F2400. . . . . .

(6) F2400. . . . . .

(7) F2400. . . . . .

(8) F2400. . . . . .

(9) F2400. . . . . .

(10) F2400. . . . . .

(11) F2400. . . . . .

(12) F2400. . . . . .

Textual Amendments

F2391 Word in Pt. 18A substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 36(b)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2392 Word in Pt. 18A substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 36(a)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2396 Words in s. 313B(2) inserted (9.4.2010) by The Financial Services and Markets Act 2000 (Amendments to Part 18A etc.) Regulations 2010 (S.I. 2010/1193), **reg. 3(2)(a)**

F2397 Words in s. 313B(2) substituted (9.4.2010) by The Financial Services and Markets Act 2000 (Amendments to Part 18A etc.) Regulations 2010 (S.I. 2010/1193), **reg. 3(2)(b)**

F2398 Words in s. 313B(3) substituted (9.4.2010) by The Financial Services and Markets Act 2000 (Amendments to Part 18A etc.) Regulations 2010 (S.I. 2010/1193), **reg. 3(3)**

F2399 S. 313B(3A) inserted (9.4.2010) by The Financial Services and Markets Act 2000 (Amendments to Part 18A etc.) Regulations 2010 (S.I. 2010/1193), **reg. 3(4)**

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F2400 S. 313B(5)-(12) omitted (9.4.2010) by virtue of The Financial Services and Markets Act 2000 (Amendments to Part 18A etc.) Regulations 2010 (S.I. 2010/1193), **reg. 3(5)**

[F2401 313BA Procedure following consideration of representations

(1) This section applies where, within the period specified under section 313B(3), (3A) or (4), representations are made to the **[**F2392FCA**]** in relation to a requirement that it has proposed to impose or has imposed under section 313A.

(2) The **[**F2392FCA**]** must decide whether to impose the requirement or (in the case of a requirement that has been imposed) whether to revoke it.

(3) In the case of a requirement that the **[**F2392FCA**]** has proposed to impose on a class of institutions, the **[**F2392FCA**]** may decide to impose the requirement—

(a) on the class;

(b) on the class apart from one or more specified members of it; or

(c) only on one or more specified members of the class.

(4) In the case of a requirement that the **[**F2392FCA**]** has imposed on a class of institutions, the **[**F2392FCA**]** may decide to revoke it in relation to—

(a) the class;

(b) the class apart from one or more specified members of it; or

(c) one or more specified members of the class only.

(5) The **[**F2392FCA**]** must give written notice of its decision to—

(a) any institution which has made representations, and

(b) the issuer of the financial instrument in question (if any).

(6) In the case of a requirement that the **[**F2392FCA**]** has proposed to impose or has imposed on a class, the **[**F2392FCA**]** must also give notice of its decision by publishing it by means of a regulatory information service unless the decision is—

(a) to impose the requirement on the class, or

(b) not to revoke the requirement in relation to the class or any member of it.

(7) An institution to which notice is required to be given under subsection (5) may refer the matter to the Tribunal if the **[**F2391FCA's**]** decision is that the requirement will be imposed on, or will continue to apply to, the institution.

(8) An issuer to whom notice is required to be given under subsection (5) may refer the matter to the Tribunal if the **[**F2391FCA's**]** decision is that the requirement will be imposed on, or will continue to apply to, the institution or (in the case of a requirement relating to a class) any of the institutions in the class.

(9) A notice given under subsection (5) must inform the recipient if the recipient has a right to refer the matter to the Tribunal.

Textual Amendments

F2391 Word in Pt. 18A substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 36(b)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2392 Word in Pt. 18A substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 36(a)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

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F2401 Ss. 313BA-313BE inserted (9.4.2010) by The Financial Services and Markets Act 2000 (Amendments to Part 18A etc.) Regulations 2010 (S.I. 2010/1193), **reg. 4**

313BB Revocation of requirements: applications by institutions

(1) This section applies where the **[**[F2392]FCA**]** has imposed a requirement on an institution or a class of institutions under section 313A.

(2) The institution or any of the institutions in the class may apply to the **[**[F2392]FCA**]** for the revocation of the requirement.

(3) The **[**[F2392]FCA**]** must decide whether to revoke the requirement.

(4) In the case of a requirement imposed on a class of institutions, the **[**[F2392]FCA**]** may decide to revoke it in relation to—

(a) the class;

(b) the class apart from one or more specified members of it; or

(c) one or more specified members of the class only.

(5) The **[**[F2392]FCA**]** must give a warning notice if—

(a) in the case of a requirement imposed on an institution, the **[**[F2392]FCA**]** proposes not to revoke the requirement, or

(b) in the case of a requirement imposed on a class, the **[**[F2392]FCA**]** proposes to make a decision which would have the effect that the requirement continues to apply to the applicant (whether or not it would have the effect that it continues to apply to other members of the class).

(6) The warning notice must be given to—

(a) the applicant, and

(b) the issuer of the financial instrument in question (if any).

Textual Amendments

F2392 Word in Pt. 18A substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 36(a)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2401 Ss. 313BA-313BE inserted (9.4.2010) by The Financial Services and Markets Act 2000 (Amendments to Part 18A etc.) Regulations 2010 (S.I. 2010/1193), **reg. 4**

313BC Decisions on applications for revocation by institutions

(1) This section applies where, having considered any representations made in response to a warning notice, the **[**[F2392]FCA**]** has decided whether to grant an application for revocation made under section 313BB.

(2) The **[**[F2392]FCA**]** must give written notice in accordance with subsection (3) if—

(a) in the case of a requirement imposed on an institution, the **[**[F2392]FCA**]** decides to revoke the requirement, or

(b) in the case of a requirement imposed on a class, the **[**[F2392]FCA**]** makes a decision which has the effect that the requirement will no longer apply to the applicant (whether or not it will continue to apply to other members of the class).

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(3) The written notice must be given to—

(a) the applicant, and

(b) the issuer of the financial instrument in question (if any).

(4) If the **[**F2392FCA**]** is required to give written notice under subsection (2) in relation to a requirement imposed on a class, the **[**F2392FCA**]** must also give notice of its decision by publishing it by means of a regulatory information service.

(5) The **[**F2392FCA**]** must give a decision notice in accordance with subsection (6) if—

(a) in the case of a requirement imposed on an institution, the **[**F2392FCA**]** decides not to revoke the requirement, or

(b) in the case of a requirement imposed on a class, the **[**F2392FCA**]** makes a decision which has the effect that the requirement will continue to apply to the applicant (whether or not it will continue to apply to other members of the class).

(6) The decision notice must be given to—

(a) the applicant, and

(b) the issuer of the financial instrument in question (if any).

(7) If the **[**F2392FCA**]** is required to give a decision notice in relation to a requirement imposed on a class, the **[**F2392FCA**]** must also give notice of its decision by publishing it by means of a regulatory information service.

(8) If the **[**F2392FCA**]** gives a decision notice, the recipient may refer the matter to the Tribunal.

Textual Amendments

F2392 Word in Pt. 18A substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 36(a)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2401 Ss. 313BA-313BE inserted (9.4.2010) by The Financial Services and Markets Act 2000 (Amendments to Part 18A etc.) Regulations 2010 (S.I. 2010/1193), **reg. 4**

313BD Revocation of requirements: applications by issuers

(1) This section applies where the **[**F2392FCA**]** has imposed a requirement on an institution or a class of institutions under section 313A.

(2) The issuer of the financial instrument may apply to the **[**F2392FCA**]** for the revocation of the requirement.

(3) The **[**F2392FCA**]** must decide whether to revoke the requirement.

(4) In the case of a requirement imposed on a class of institutions, the **[**F2392FCA**]** may decide to revoke it in relation to—

(a) the class;

(b) the class apart from one or more specified members of it; or

(c) one or more specified members of the class only.

(5) The **[**F2392FCA**]** must give the issuer a warning notice if—

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

(a) in the case of a requirement imposed on an institution, the **[**[F2392]FCA**]** proposes not to revoke the requirement, or

(b) in the case of a requirement imposed on a class, the **[**[F2392]FCA**]** proposes not to revoke the requirement or to revoke it in relation to—

(i) the class apart from one or more specified members of it, or

(ii) one or more specified members of the class only.

Textual Amendments

F2392 Word in Pt. 18A substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 36(a)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2401 Ss. 313BA-313BE inserted (9.4.2010) by The Financial Services and Markets Act 2000 (Amendments to Part 18A etc.) Regulations 2010 (S.I. 2010/1193), **reg. 4**

313BE Decisions on applications for revocation by issuers

(1) This section applies where, having considered any representations made in response to a warning notice, the **[**[F2392]FCA**]** has decided whether to grant an application for revocation made under section 313BD.

(2) The **[**[F2392]FCA**]** must give written notice to the issuer if the **[**[F2392]FCA**]** decides to revoke the requirement.

(3) If the **[**[F2392]FCA**]** is required to give written notice under subsection (2) in relation to a requirement imposed on a class, the **[**[F2392]FCA**]** must also give notice of its decision by publishing it by means of a regulatory information service.

(4) The **[**[F2392]FCA**]** must give the issuer a decision notice if—

(a) in the case of a requirement imposed on an institution, the **[**[F2392]FCA**]** decides not to revoke the requirement, or

(b) in the case of a requirement imposed on a class, the **[**[F2392]FCA**]** decides not to revoke the requirement or makes a decision to revoke the requirement in relation to—

(i) the class apart from one or more specified members of it, or

(ii) one or more specified members of the class only.

(5) If the **[**[F2392]FCA**]** is required to give a decision notice under subsection (4)(b), it must also give notice of its decision by publishing it by means of a regulatory information service.

(6) If the **[**[F2392]FCA**]** gives a decision notice under subsection (4), the issuer may refer the matter to the Tribunal.**]**

Textual Amendments

F2392 Word in Pt. 18A substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 36(a)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2401 Ss. 313BA-313BE inserted (9.4.2010) by The Financial Services and Markets Act 2000 (Amendments to Part 18A etc.) Regulations 2010 (S.I. 2010/1193), **reg. 4**

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F2402 313C Notification in relation to suspension or removal of a financial instrument from trading

. . . . . .

Textual Amendments

F2402 S. 313C omitted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by virtue of The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 2 para. 40** (with reg. 7)

[F2403 313CA Suspension or removal of financial instruments from trading: notification and trading on other venues

(1) The FCA must take the steps in subsection (2) to (4) if it imposes a requirement on an institution under section 313A to—

(a) suspend or remove a financial instrument from trading; or

(b) suspend or remove a derivative which relates, or is referenced, to the financial instrument from trading to support the objectives of a suspension or removal mentioned in paragraph (a).

(2) The FCA must require any trading venue or systematic internaliser which falls under its jurisdiction and trades the same instrument or derivative to suspend or remove the instrument or derivative from trading if a suspension or removal mentioned in subsection (1) was due to—

(a) suspected market abuse;

(b) a take-over bid; or

(c) the non-disclosure of inside information about the issuer or the instrument.

(3) But the FCA is not obliged to impose a requirement under subsection (2) if it could cause significant damage to the interests of investors or the orderly functioning of the market.

[F2404(4) The FCA must publish a decision of any of the following kinds in such a manner as the FCA considers appropriate—

(a) a decision to impose a requirement under section 313A;

(b) a decision to revoke a requirement imposed under section 313A;

(c) a decision to impose, or to revoke or not to impose, a requirement under subsection (2).

(5) Subsection (4) does not require a decision to be published if it has already been published under section 313B(2)(b) or 313BE(5).]

Textual Amendments

F2403 Ss. 313CA-313CC inserted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 2 para. 41** (with reg. 7) (as amended (2.1.2018) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) (No.2) Regulations 2017 (S.I. 2017/1255), regs. 2(a), **34**)

Status: *This version of this Act contains provisions that are prospective.*
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F2404 S. 313CA(4)(5) substituted for s. 313CA(4) (31.12.2020) by The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(3), **10(2)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

313CB. Suspension or removal of a financial instrument from a trading by a trading venue: FCA duties

(1) The FCA must take the steps in subsections (2), (4), and (5) if a person specified in subsection (6) operating a trading venue in the United Kingdom informs the FCA it has made a decision—

(a) to suspend or remove a financial instrument from trading on the trading venue because the instrument no longer complies with the venue's rules, or

(b) to suspend or remove a derivative which relates, or is referenced, to the financial instrument from trading on the trading venue to support the objectives of a suspension or removal mentioned in paragraph (a).

(2) The FCA must require any other trading venue or any systematic internaliser which falls under its jurisdiction and trades the same instrument or derivative to suspend or remove the instrument or derivative from trading if a suspension or removal mentioned in subsection (1) was due to—

(a) suspected market abuse;

(b) a take-over bid; or

(c) the non-disclosure of inside information about the issuer or the instrument.

(3) But the FCA is not obliged to impose a requirement under subsection (2) if it could cause significant damage to the interests of investors or the orderly functioning of the market.

(4) The FCA must revoke a requirement imposed under subsection (2) if the person mentioned in subsection (1) informs the FCA it has lifted the suspension mentioned in that subsection.

[[F2405](5) The FCA must publish any decision to impose, or to revoke or not to impose, a requirement under subsection (2) in such a manner as the FCA considers appropriate.**]**

(6) The specified persons for the purposes of subsection (6) are—

(a) a recognised investment exchange,

(b) an investment firm with a Part 4A permission to carry on a regulated activity which is any of the investment services and activities,

[[F2406](c) a qualifying credit institution that has Part 4A permission to carry on the regulated activity of accepting deposits.**]]**

Textual Amendments

F2403 Ss. 313CA-313CC inserted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 2 para. 41** (with reg. 7) (as amended (2.1.2018) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) (No.2) Regulations 2017 (S.I. 2017/1255), regs. 2(a), **34**)

F2405 S. 313CB(5) substituted (31.12.2020) by The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(3), **10(3)(a)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

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F2406 S. 313CB(6)(c) substituted (31.12.2020) by The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(3), **10(3)(b)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

[F2407 313CBA Significant damage to investors' interests or orderly functioning of market

(1) This section applies for the purposes of sections 313CA(3) and 313CB(3).

(2) The following are circumstances in which a suspension or removal from trading of a financial instrument could cause significant damage to the interests of investors or the orderly functioning of the market—

(a) where it would create a systemic risk undermining financial stability, such as where the need exists to unwind a dominant market position, or where settlement obligations would not be met in a significant volume;

(b) where the continuation of trading on the market is necessary to perform critical post-trade risk management functions when—

(i) as a result of the default of a clearing member there is a need for the liquidation of financial instruments under the default procedures of a central counterparty, and

(ii) a central counterparty would be exposed to unacceptable risks as a result of an inability to calculate margin requirements;

(c) where the financial viability of the issuer would be threatened, such as where it is involved in a corporate transaction or capital raising.

(3) In determining in any other circumstance whether a suspension or removal could cause significant damage to the interests of investors or the orderly functioning of the market, the FCA must have regard (among other things) to the following—

(a) the liquidity of the market concerned, taking account of the fact that the consequences of a suspension or removal are likely to be greater where the market is more liquid;

(b) the nature of the suspension or removal, where actions with a sustained or lasting impact on the ability of investors to trade a financial instrument on trading venues, such as removals, are likely to have a greater impact on investors than other actions;

(c) the knock-on effects of a suspension or removal on sufficiently related derivatives, indices or benchmarks for which the removed or suspended instrument serves as an underlying or constituent;

(d) the effects of a suspension on the interests of market end-users who are not financial counterparties, such as entities trading in financial instruments to hedge commercial risks.

(4) In this section—

"central counterparty" has the same meaning as in Part 18 (see section 313(1));

"clearing member", in relation to a central counterparty, means an undertaking which participates in the central counterparty and which is responsible for discharging the financial obligations arising from that participation;

"financial counterparty" has the meaning given in Article 2(8) of Regulation (EU) 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories.]

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Textual Amendments

F2407 S. 313CBA inserted (23.10.2025) by The Markets in Financial Instruments (Miscellaneous Amendments) Regulations 2025 (S.I. 2025/1020), regs. 1(2), **2** (with reg. 17); S.I. 2025/1078, reg. 2(b) (with reg. 11)

F2408 313CC Suspension or removal of a financial instrument from trading in another EEA state: FCA duties

. . . . . .

Textual Amendments

F2408 S. 313CC omitted (31.12.2020) by virtue of The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(3), **10(4)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

313D Interpretation of Part 18A

[In this Part—

F2409(1)**]** F2410...

[F2411"derivative" means a derivative referred to in **[**F2412paragraphs 4 to 10 of Part 1 of Schedule 2 to the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (S.I. 2001/544)**]**;**]**

[F2413"financial instrument" means an instrument specified in Part 1 of Schedule 2 to the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001;**]**

"institution" means—

(a) a recognised investment exchange, other than an overseas investment exchange (within the meaning of Part 18);

(b) an investment firm;

(c) **[**F2414a qualifying credit institution that has Part 4A permission to carry on the regulated activity of accepting deposits, when carrying out investment services or activities; or**]**

(d) **[**F2414a qualifying credit institution other than one that has Part 4A permission to carry on the regulated activity of accepting deposits;**]**

F2415...

"issuer", in relation to a financial instrument, means the person who issued the instrument;

[F2411"market abuse" means a contravention of Article 14 (prohibition of insider dealing and of unlawful disclosure of inside information) or 15 (prohibition of market manipulation) of the market abuse regulation;**]**

F2416...

[F2411"non-disclosure of inside information" means a failure to disclose inside information, as defined by Article 7 (inside information) of the market abuse regulation, in contravention of Article 17 (public disclosure of inside information) of that Regulation;**]**

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[F2417"regulated information" has the meaning given in Article 2(1)(k) of the transparency obligations directive (as defined in section 103 of this Act);**]**

[F2418"regulatory information service" means—

(a) a service approved by the **[**F2392FCA**]** to disseminate regulated information in accordance with rules made under section 89A of this Act,**]**F2419...

(b) F2419...

F2420...

[F2421"systematic internaliser" has the meaning given in Article 2(1)(12) of the markets in financial instruments regulation;**]**

[F2421"trading venue" means a UK trading venue, as defined by Article 2(1)(16A) of the markets in financial instruments regulation.**]**

[In this Part a trading venue or systematic internaliser falls under the FCA's jurisdiction F2422(2) if—

[F2423(a) it is established in the United Kingdom; or**]**

(b) in the case of a systematic internaliser **[**F2424which**]** does not fall within the FCA's jurisdiction by virtue of paragraph (a)—

(i) it has established a branch (as defined by **[**F2425Article 2(1)(20) of the markets in financial instruments regulation**]**) in the United Kingdom; and

(ii) the FCA considers that it is necessary to impose a requirement on the systematic internaliser under section **[**F2426section 313CA(2) or 313CB(2)**].]]**

Textual Amendments

F2392 Word in Pt. 18A substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 36(a)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2409 S. 313D(1) s. 313D re-numbered as s. 313D(1) (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 2 para. 42(2)** (with reg. 7)

F2410 Words in s. 313D(1) omitted (31.12.2020) by virtue of The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(3), **10(5)(a)(i)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F2411 Words in s. 313D(1) inserted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 2 para. 42(3)(d)** (with reg. 7)

F2412 Words in s. 313D(1) substituted (31.12.2020) by The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(3), **10(5)(a)(ii)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F2413 Words in s. 313D(1) substituted (31.12.2020) by The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(3), **10(5)(a)(iii)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F2414 Words in s. 313D(1) substituted (31.12.2020) by The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(3), **10(5)(a)(iv)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

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F2415 Words in s. 313D(1) omitted (31.12.2020) by virtue of The EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018 (S.I. 2018/1149), reg. 1(3), **Sch. para. 18** (with reg. 4); 2020 c. 1, Sch. 5 para. 1(1)

F2416 Words in s. 313D(1) omitted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by virtue of The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 2 para. 42(3)(b)** (with reg. 7)

F2417 S. 313D: definition of "regulated information" inserted (9.4.2010) by The Financial Services and Markets Act 2000 (Amendments to Part 18A etc.) Regulations 2010 (S.I. 2010/1193), **reg. 6**

F2418 S. 313D: definition of "regulatory information service" inserted (9.4.2010) by The Financial Services and Markets Act 2000 (Amendments to Part 18A etc.) Regulations 2010 (S.I. 2010/1193), **reg. 6**

F2419 Words in s. 313D(1) omitted (31.12.2020) by virtue of The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(3), **10(5)(a)(v)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F2420 Words in s. 313D(1) omitted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by virtue of The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 2 para. 42(3)(c)** (with reg. 7)

F2421 Words in s. 313D(1) substituted (31.12.2020) by The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(3), **10(5)(a)(vi)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F2422 S. 313D(2) inserted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 2 para. 42(4)** (with reg. 7) (as amended (2.1.2018) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) (No.2) Regulations 2017 (S.I. 2017/1255), regs. 2(a), **35**)

F2423 S. 313D(2)(a) substituted (31.12.2020) by The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(3), **10(5)(b)(i)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F2424 Word in s. 313D(2)(b) inserted (26.3.2019) by The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(2), **2(b)**

F2425 Words in s. 313D(2)(b)(i) substituted (31.12.2020) by The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(3), **10(5)(b)(ii)(aa)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F2426 Words in s. 313D(2)(b)(ii) substituted (31.12.2020) by The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(3), **10(5)(b)(ii)(bb)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

PART XIX

LLOYD'S

General

314 [F2427Regulators'] general duty.

[F2428(1) So far as it is appropriate to do so for the purpose of advancing one or more of its operational objectives, the FCA must keep itself informed about—

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(a) the way in which the Council supervises and regulates the market at Lloyd's, and

(b) the way in which regulated activities are being carried on in that market.

(1A) So far as it is appropriate to do so for the purpose of advancing its general objective or (if section 2C applies) its insurance objective, the PRA must keep itself informed about—

(a) the way in which the Council supervises and regulates the market at Lloyd's, and

(b) the way in which any PRA-regulated activities are being carried on in that market.**]**

(2) **[**F2429Each regulator**]** must keep under review the desirability of exercising—

(a) any of its powers under this Part;

(b) any powers which it has in relation to the Society as a result of **[**F2430provision made by or under this Act**]**.

Textual Amendments

F2427 Word in s. 314 heading substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 40(2)(c)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2428 S. 314(1)(1A) substituted for s. 314(1) (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 40(2)(a)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2429 Words in s. 314(2) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 40(2)(b)(i)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2430 Words in s. 314(2)(b) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 40(2)(b)(ii)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

[F2431**314A The PRA's objectives in relation to Lloyd's etc**

(1) This section modifies—

(a) the effect of sections 2B and 2C (the PRA's general objective and insurance objective), and

(b) the effect of section 3I (power of PRA to require FCA to refrain from specified action),

in relation to anything done, or proposed to be done, by the PRA under or for the purposes of this Part.

(2) This section applies only if PRA-authorised persons include—

(a) the Society, or

(b) other persons who carry on regulated activities in relation to anything done at Lloyd's.

(3) Section 2B(2) and (3) have effect as if references to PRA-authorised persons (or a PRA-authorised person) were references to the Society, and the members of the Society, taken together (and sections 2G and 2J(3) are to be read accordingly).

(4) Section 2C(1) has effect as if the reference to the discharge of the PRA's general functions so far as relating to the activity mentioned there were a reference to the discharge of its general functions so far as relating to the carrying on by the Society or other persons of PRA-regulated activities in relation to anything done at Lloyd's.

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(5) Section 3I(4)(b) has effect as if the reference to a PRA-authorised person were a reference to the Society, and the members of the Society, taken together.**]**

Textual Amendments

F2431 S. 314A inserted (24.1.2013) by Financial Services Act 2012 (c. 21), **ss. 40(3)**, 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3

The Society

[F2432 315 The Society: regulated activities

(1) This section applies if an activity carried on by the Society is of a kind specified in an order made under section 22 (regulated activities).

(2) The order may provide that the Society is not to be subject to any requirement of this Act concerning the registered office of a body corporate.**]**

Textual Amendments

F2432 S. 315 substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 40(4)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

Power to apply Act to Lloyd's underwriting

316 Direction by [F2433 a regulator]

(1) The general prohibition or (if the general prohibition is not applied under this section) a core provision applies to the carrying on of an insurance market activity by—

(a) a member of the Society, or

(b) the members of the Society taken together,

only if **[**F2434 a regulator**]** so directs.

[F2435 (1A) A direction under subsection (1)—

(a) may be given by the FCA only if it considers that giving the direction is necessary or expedient for the purpose of advancing one or more of its operational objectives, and

(b) may be given by the PRA only if it considers that giving the direction is necessary or expedient for the purpose of advancing its general objective or (if section 2C applies) the insurance objective.

(1B) A direction under subsection (1) which applies the general prohibition to a member of the Society, or to the members of the Society taken together, may be given by a regulator only with the consent of the other regulator.**]**

(2) A direction given under subsection (1) which applies a core provision is referred to in this Part as "an insurance market direction".

(3) In subsection (1)—

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"core provision" means a provision of this Act mentioned in section 317; and

"insurance market activity" means a regulated activity relating to contracts of insurance written at Lloyd's.

(4) In deciding whether to give a direction under subsection (1), **[**[F2436]the regulator concerned**]** must have particular regard to—

(a) the interests of policyholders and potential policyholders;

[F2437](b) . . . . . .

(c) the need to ensure the effective exercise of the functions which **[**[F2436]the regulator concerned**]** has in relation to the Society as a result of **[**[F2438]provision made by or under this Act**]**.

(5) A direction under subsection (1) must be in writing.

(6) A direction under subsection (1) applying the general prohibition may apply it in relation to different classes of person.

(7) An insurance market direction—

(a) must specify each core provision, class of person and kind of activity to which it applies;

(b) may apply different provisions in relation to different classes of person and different kinds of activity.

(8) A direction under subsection (1) has effect from the date specified in it, which may not be earlier than the date on which it is made.

(9) A direction under subsection (1) **[**[F2439]given by a regulator**]** must be published in the way appearing to **[**[F2440]the regulator**]** to be best calculated to bring it to the attention of the public.

(10) **[**[F2441]A regulator who gives a direction under subsection (1)**]** may charge a reasonable fee for providing a person with a copy of the direction.

(11) **[**[F2442]A regulator who gives a direction under subsection (1)**]** must, without delay, give the Treasury a copy of **[**[F2443]the direction**]**.

Textual Amendments

F2433 Words in s. 316 heading substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 40(5)(g)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2434 Words in s. 316(1) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 40(5)(a)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2435 S. 316(1A)(1B) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 40(5)(b)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2436 Words in s. 316(4) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 40(5)(c)(i)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2437 S. 316(4)(b) omitted (31.12.2020) by virtue of The Solvency 2 and Insurance (Amendment, etc.) (EU Exit) Regulations 2019 (S.I. 2019/407), regs. 1(2), **5(3)** (as amended by S.I. 2020/1385, regs. 1(2), 54(2))

F2438 Words in s. 316(4)(c) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 40(5)(c)(ii)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2439 Words in s. 316(9) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 40(5)(d)(i)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

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F2440 Words in s. 316(9) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 40(5)(d)(ii)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.
F2441 Words in s. 316(10) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 40(5)(e)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.
F2442 Words in s. 316(11) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 40(5)(f)(i)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.
F2443 Words in s. 316(11) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 40(5)(f)(ii)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

Commencement Information

I65 S. 316 wholly in force at 1.12.2001; s. 316 not in force at Royal Assent see s. 431(2); s. 316(1) in force for specified purposes at 18.6.2001 by S.I. 2001/1820, art. 2, **Sch.**; s. 316 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**

317 The core provisions.

(1) The core provisions are Parts V, **[**F2444 9A**]**, XI, XII, XIV, XV, XVI, XXII and XXIV, sections 384 to 386 and Part XXVI.

(2) References in an applied core provision to an authorised person are (where necessary) to be read as references to a person in the class to which the insurance market direction applies.

(3) An insurance market direction may provide that a core provision is to have effect, in relation to persons to whom the provision is applied by the direction, with modifications.

Textual Amendments

F2444 Word in s. 317(1) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 40(6)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

318 Exercise of powers through Council.

(1) **[**F2445 A regulator**]** may give a direction under this subsection to the Council or to the Society (acting through the Council) or to both.

(2) A direction under subsection (1) is one given to the body concerned—

(a) in relation to the exercise of its powers generally with a view to achieving, or in support of, a specified objective; or

(b) in relation to the exercise of a specified power which it has, whether in a specified manner or with a view to achieving, or in support of, a specified objective.

(3) "Specified" means specified in the direction.

[F2446 (3A) A direction under subsection (1)—

(a) may be given by the FCA only if it considers that giving the direction is necessary or expedient for the purpose of advancing one or more of its operational objectives, and

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(b) may be given by the PRA only if it considers that giving the direction is necessary or expedient for the purpose of advancing its general objective or (if section 2C applies) the insurance objective.**]**

(4) A direction under subsection (1) may be given—

(a) instead of giving a direction under section 316(1); or

(b) if **[**[F2447]the regulator concerned**]** considers it necessary or expedient to do so, at the same time as, or following, the giving of such a direction.

(5) A direction may also be given under subsection (1) in respect of underwriting agents as if they were among the persons mentioned in section 316(1).

(6) A direction under this section—

(a) does not, at any time, prevent the exercise by **[**[F2448]a regulator**]** of any of its powers;

(b) must be in writing.

(7) A direction under subsection (1) **[**[F2449]given by a regulator**]** must be published in the way appearing to **[**[F2450]the regulator**]** to be best calculated to bring it to the attention of the public.

(8) **[**[F2451]A regulator who gives a direction under subsection (1)**]** may charge a reasonable fee for providing a person with a copy of the direction.

(9) **[**[F2452]A regulator who gives a direction under subsection (1)**]** must, without delay, give the Treasury a copy of **[**[F2453]the direction**]**.

Textual Amendments

F2445 Words in s. 318(1) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 40(7)(a)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2446 S. 318(3A) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 40(7)(b)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2447 Words in s. 318(4)(b) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 40(7)(c)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2448 Words in s. 318(6)(a) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 40(7)(d)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2449 Words in s. 318(7) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 40(7)(e)(i)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2450 Words in s. 318(7) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 40(7)(e)(ii)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2451 Words in s. 318(8) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 40(7)(f)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2452 Words in s. 318(9) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 40(7)(g)(i)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2453 Words in s. 318(9) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 40(7)(g)(ii)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

Commencement Information

I66 S. 318 wholly in force at 1.12.2001; s. 318 not in force at Royal Assent see s. 431(2); s. 318(1) in force for specified purposes at 18.6.2001 by S.I. 2001/1820, art. 2, **Sch.**; s. 318 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**

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319 Consultation.

[F2454(1) Before a regulator gives a direction under section 316 or 318, it must—

(a) in a case where section 316(1B) requires the regulator to obtain the consent of the other regulator, obtain that consent,

(b) in any other case, consult the other regulator, and

(c) after complying with paragraph (a) or (b), publish a draft of the proposed direction.**]**

(2) The draft must be accompanied by—

(a) a cost benefit analysis; and

(b) notice that representations about the proposed direction may be made to **[**F2455the regulator**]** within a specified time.

[F2456(3) Before a regulator gives the proposed direction—

(a) it must have regard to any representations made to it in accordance with subsection (2)(b), and

(b) if it was required by subsection (1)(b) to consult the other regulator and proposes to give a direction which differs from the draft published under subsection (1) in a way which is, in the opinion of the regulator, significant, it must again consult the other regulator.**]**

(4) If **[**F2457the regulator**]** gives the proposed direction it must publish an account, in general terms, of—

(a) the representations made to it in accordance with subsection (2)(b); and

(b) its response to them.

(5) If the direction differs from the draft published under subsection (1) in a way which is, in the opinion of **[**F2458the regulator**]**, significant—

(a) **[**F2458the regulator**]** must (in addition to complying with subsection (4)) publish details of the difference; and

(b) those details must be accompanied by a cost benefit analysis.

[F2459(6) Subsections (1)(c) and (2) to (5) do not apply in relation to—

(a) a direction given by the FCA if it considers that the delay involved in complying with them would be prejudicial to the interests of consumers, as defined in section 425A, or

(b) a direction given by the PRA if it considers that the delay involved in complying with them would—

(i) be prejudicial to the safety and soundness of the Society, and the members of the Society, taken together, or

(ii) in a case where section 2C applies, be prejudicial to securing the appropriate degree of protection for policyholders.**]**

(7) Neither subsection (2)(a) nor subsection (5)(b) applies if **[**F2460the regulator concerned**]** considers—

(a) that, making the appropriate comparison, there will be no increase in costs; or

(b) that, making that comparison, there will be an increase in costs but the increase will be of minimal significance.

(8) **[**F2461A regulator who publishes a draft under subsection (1)**]** may charge a reasonable fee for providing a person with a copy of **[**F2462the draft**]**.

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(9) When **[**[F2463]a regulator**]** is required to publish a document under this section it must do so in the way appearing to it to be best calculated to bring it to the attention of the public.

[[F2464](10) "Cost benefit analysis" means—

(a) an analysis of the costs together with an analysis of the benefits that will arise—

(i) if the proposed direction is given, or

(ii) if subsection (5)(b) applies, from the direction that has been given, and

(b) subject to subsection (10A), an estimate of those costs and of those benefits.

(10A) If, in the opinion of the regulator concerned—

(a) the costs or benefits referred to in subsection (10) cannot reasonably be estimated, or

(b) it is not reasonably practicable to produce an estimate,

the cost benefit analysis need not estimate them, but must include a statement of the opinion of the regulator concerned and an explanation of it.**]**

(11) "The appropriate comparison" means—

(a) in relation to subsection (2)(a), a comparison between the overall position if the direction is given and the overall position if it is not given;

(b) in relation to subsection (5)(b), a comparison between the overall position after the giving of the direction and the overall position before it was given.

Textual Amendments

F2454 S. 319(1) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 40(8)(a)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2455 Words in s. 319(2)(b) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 40(8)(b)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2456 S. 319(3) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 40(8)(c)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2457 Words in s. 319(4) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 40(8)(d)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2458 Words in s. 319(5) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 40(8)(d)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2459 S. 319(6) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 40(8)(e)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2460 Words in s. 319(7) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 40(8)(f)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2461 Words in s. 319(8) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 40(8)(g)(i)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2462 Words in s. 319(8) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 40(8)(g)(ii)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2463 Words in s. 319(9) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 40(8)(h)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2464 S. 319(10)(10A) substituted for s. 319(10) (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 40(8)(i)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

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Former underwriting members

320 Former underwriting members.

(1) A former underwriting member may carry out each contract of insurance that he has underwritten at Lloyd's whether or not he is an authorised person.

(2) If he is an authorised person, any **[**[F2465]Part 4A permission**]** that he has does not extend to his activities in carrying out any of those contracts.

(3) **[**[F2466]The PRA**]** may impose on a former underwriting member such requirements as appear to it to be appropriate for the purpose of protecting policyholders against the risk that he may not be able to meet his liabilities.

(4) A person on whom a requirement is imposed may refer the matter to the Tribunal.

[[F2467](5) In the event that the activity of effecting or carrying out contracts of insurance as principal is not to any extent a PRA-regulated activity, the function conferred on the PRA by subsection (3) is exercisable instead by the FCA.

(6) Accordingly, in that case—

(a) references in section 321 to the PRA are to be read as references to the FCA, and

(b) the reference in section 321(13) to the FCA is to be read as a reference to the PRA.**]**

Textual Amendments

F2465 Words in s. 320(2) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 40(9)(a)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2466 Words in s. 320(3) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 40(9)(b)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2467 S. 320(5)(6) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 40(9)(c)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

Commencement Information

I67 S. 320 wholly in force at 1.12.2001; s. 320 not in force at Royal Assent see s. 431(2); s. 320(3)(4) in force for specified purposes at 3.9.2001 by S.I. 2001/2632, art. 2(2), **Sch. Pt. 2**; s. 320 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**

321 Requirements imposed under section 320.

(1) A requirement imposed under section 320 takes effect—

(a) immediately, if the notice given under subsection (2) states that that is the case;

(b) in any other case, on such date as may be specified in that notice.

(2) If **[**[F2468]the PRA**]** proposes to impose a requirement on a former underwriting member ("A") under section 320, or imposes such a requirement on him which takes effect immediately, it must give him written notice.

(3) The notice must—

(a) give details of the requirement;

(b) state **[**[F2469]the PRA's**]** reasons for imposing it;

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(c) inform A that he may make representations to the **[**[F2470]PRA**]** within such period as may be specified in the notice (whether or not he has referred the matter to the Tribunal);

(d) inform him of the date on which the requirement took effect or will take effect; and

(e) inform him of his right to refer the matter to the Tribunal.

(4) The **[**[F2471]PRA**]** may extend the period allowed under the notice for making representations.

(5) If, having considered any representations made by A, the **[**[F2471]PRA**]** decides—

(a) to impose the proposed requirement, or

(b) if it has been imposed, not to revoke it,

it must give him written notice.

(6) If the **[**[F2471]PRA**]** decides—

(a) not to impose a proposed requirement, or

(b) to revoke a requirement that has been imposed,

it must give A written notice.

(7) If the **[**[F2471]PRA**]** decides to grant an application by A for the variation or revocation of a requirement, it must give him written notice of its decision.

(8) If the **[**[F2471]PRA**]** proposes to refuse an application by A for the variation or revocation of a requirement it must give him a warning notice.

(9) If the **[**[F2471]PRA**]**, having considered any representations made in response to the warning notice, decides to refuse the application, it must give A a decision notice.

(10) A notice given under—

(a) subsection (5), or

(b) subsection (9) in the case of a decision to refuse the application,

must inform A of his right to refer the matter to the Tribunal.

(11) If the **[**[F2472]PRA**]** decides to refuse an application for a variation or revocation of the requirement, the applicant may refer the matter to the Tribunal.

(12) If a notice informs a person of his right to refer a matter to the Tribunal, it must give an indication of the procedure on such a reference.

[[F2473](13) Before giving a notice under any provision of this section, the PRA must consult the FCA.**]**

Textual Amendments

F2468 Words in s. 321(2) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 40(10)(a)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2469 Words in s. 321(3)(b) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 40(10)(b)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2470 Word in s. 321(3)(c) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 40(10)(c)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2471 Word in s. 321(4)-(9) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 40(10)(c)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

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F2472 Word in s. 321(11) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 40(10)(c)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.
F2473 S. 321(13) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 40(10)(d)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

Commencement Information
I68 S. 321 wholly in force at 1.12.2001; s. 321 not in force at Royal Assent see s. 431(2); s. 321 in force for certain purposes at 3.9.2001 by S.I. 2001/2632, art. 2(2), **Sch. Pt. 2**; s. 321 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**

322 Rules applicable to former underwriting members.

(1) **[**F2474The PRA**]** may make rules imposing such requirements on persons to whom the rules apply as appear to it to be appropriate for protecting policyholders against the risk that those persons may not be able to meet their liabilities.

(2) The rules may apply to—
(a) former underwriting members generally; or
(b) to a class of former underwriting member specified in them.

(3) Section 319 applies to the making of proposed rules under this section as it applies to the giving of a proposed direction under section 316.

(4) **[**F2475Part 9A (except sections 137T, 138F, 138G and 138H)**]** does not apply to rules made under this section.

[F2476(5) In the event that the activity of effecting or carrying out contracts of insurance as principal is not to any extent a PRA-regulated activity, the function conferred on the PRA by subsection (1) is exercisable instead by the FCA.**]**

Textual Amendments
F2474 Words in s. 322(1) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 40(11)(a)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.
F2475 Words in s. 322(4) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 40(11)(b)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.
F2476 S. 322(5) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 40(11)(c)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

Commencement Information
I69 S. 322 wholly in force at 1.12.2001; s. 322 not in force at Royal Assent see s. 431(2); s. 322 in force for specified purposes at 18.6.2001 by S.I. 2001/1820, art. 2, **Sch.**; s. 322 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**

Transfers of business done at Lloyd's

323 Transfer schemes.

The Treasury may by order provide for the application of any provision of Part VII (with or without modification) in relation to schemes for the transfer of the whole or

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any part of the business carried on by one or more members of the Society or former underwriting members.

Supplemental

324 Interpretation of this Part.

(1) In this Part—

"arranging deals", in relation to the investments to which this Part applies, has the same meaning as in paragraph 3 of Schedule 2;

"former underwriting member" means a person ceasing to be an underwriting member of the Society on, or at any time after, 24 December 1996; and

"participation in Lloyd's syndicates", in relation to the secondary market activity, means the investment described in sub-paragraph (1) of paragraph 21 of Schedule 2.

(2) A term used in this Part which is defined in [M30]Lloyd's Act 1982 has the same meaning as in that Act.

Marginal Citations
M30 1982 c.xiv.

PART XX

PROVISION OF FINANCIAL SERVICES BY MEMBERS OF THE PROFESSIONS

Modifications etc. (not altering text)
C1066 Pt. 20 modified (E.W.S.) by S.I. 2000/119, Sch. 4 para. 11 (as substituted (1.7.2009 in accordance with art. 1(1)(c) of S.I. 2009/1587) by S.I. 2009/1587, **art. 3(11)**)

325 [F2477FCA's] general duty.

(1) The [F2478FCA] must keep itself informed about—

(a) the way in which designated professional bodies supervise and regulate the carrying on of exempt regulated activities by members of the professions in relation to which they are established;

(b) the way in which such members are carrying on exempt regulated activities.

(2) In this Part—

"exempt regulated activities" means regulated activities which may, as a result of this Part, be carried on by members of a profession which is supervised and regulated by a designated professional body without breaching the general prohibition; and

"members", in relation to a profession, means persons who are entitled to practise the profession in question and, in practising it, are subject to the rules

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of the body designated in relation to that profession, whether or not they are members of that body.

(3) The **[**F2478FCA**]** must keep under review the desirability of exercising any of its powers under this Part.

(4) Each designated professional body must co-operate with the **[**F2478FCA**]**, by the sharing of information and in other ways, in order to enable the **[**F2478FCA**]** to perform its functions under this Part.

Textual Amendments

F2477 Word in s. 325 heading substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 16 para. 1(b)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2478 Word in s. 325 substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 16 para. 1(a)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

Commencement Information

I70 S. 325 wholly in force at 1.12.2001; s. 325 not in force at Royal Assent see s. 431(2); s. 325(4) in force at 3.9.2001 by S.I. 2001/2632, art. 2(2), **Sch. Pt. 2**; s. 325 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**

326 Designation of professional bodies.

(1) The Treasury may by order designate bodies for the purposes of this Part.

(2) A body designated under subsection (1) is referred to in this Part as a designated professional body.

(3) The Treasury may designate a body under subsection (1) only if they are satisfied that—

(a) the basic condition, and

(b) one or more of the additional conditions,

are met in relation to it.

(4) The basic condition is that the body has rules applicable to the carrying on by members of the profession in relation to which it is established of regulated activities which, if the body were to be designated, would be exempt regulated activities.

(5) The additional conditions are that—

(a) the body has power under any enactment to regulate the practice of the profession;

(b) being a member of the profession is a requirement under any enactment for the exercise of particular functions or the holding of a particular office;

(c) the body has been recognised for the purpose of any enactment other than this Act and the recognition has not been withdrawn;

F2479(d) . . . . . .

(6) "Enactment" includes an Act of the Scottish Parliament, Northern Ireland legislation and subordinate legislation (whether made under an Act, an Act of the Scottish Parliament or Northern Ireland legislation).

(7) "Recognised" means recognised by—

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(a) a Minister of the Crown;
(b) the Scottish Ministers;
(c) a Northern Ireland Minister;
(d) a Northern Ireland department or its head.

Textual Amendments

F2479 S. 326(5)(d) omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **63**; 2020 c. 1, Sch. 5 para. 1(1)

327 Exemption from the general prohibition.

(1) The general prohibition does not apply to the carrying on of a regulated activity by a person ("P") if—

(a) the conditions set out in subsections (2) to (7) are satisfied; [F2480]...

[[F2481](aa) where the activity is the provision of a service listed in **[**[F2482]Part 3 of Schedule 2 to the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001**]** relating to a financial instrument, the condition set out in subsection (7A) is also satisfied; and**]**

(b) there is not in force—

(i) a direction under section 328, or

(ii) an order under section 329,

which prevents this subsection from applying to the carrying on of that activity by him.

(2) P must be—

(a) a member of a profession; or

(b) controlled or managed by one or more such members.

(3) P must not receive from a person other than his client any pecuniary reward or other advantage, for which he does not account to his client, arising out of his carrying on of any of the activities.

(4) The manner of the provision by P of any service in the course of carrying on the activities must be incidental to the provision by him of professional services.

(5) P must not carry on, or hold himself out as carrying on, a regulated activity other than—

(a) one which rules made as a result of section 332(3) allow him to carry on; or

(b) one in relation to which he is an exempt person.

(6) The activities must not be of a description, or relate to an investment of a description, specified in an order made by the Treasury for the purposes of this subsection.

(7) The activities must be the only regulated activities carried on by P (other than regulated activities in relation to which he is an exempt person).

[[F2483](7A) The condition mentioned in subsection (1)(aa) is that—

(a) the service is provided in an incidental manner in the course of a professional activity [F2484]...; and

(b) the professional activity concerned is the provision of professional services.

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(7B) In subsection (7A) a service is provided in an incidental manner in the course of a professional activity [F2485]... if the applicable conditions are satisfied.

(7C) The applicable conditions for the purposes of subsection (7B) are those set out in **[**[F2486]paragraph 6(a) to (c) of Schedule 3 to the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001**]**.**]**

(8) "Professional services" means services—

(a) which do not constitute carrying on a regulated activity, and

(b) the provision of which is supervised and regulated by a designated professional body.

[[F2487](9) The exemption in this section does not apply to the carrying on of a regulated claims management activity in Great Britain.**]**

Textual Amendments

F2480 Word in s. 327(1)(a) omitted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by virtue of The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 2 para. 43(2)(a)** (with reg. 7)

F2481 S. 327(1)(aa) inserted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 2 para. 43(2)(b)** (with reg. 7)

F2482 Words in s. 327(1)(aa) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **64(a)**; 2020 c. 1, Sch. 5 para. 1(1)

F2483 S. 327(7A)-(7C) inserted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 2 para. 43(3)** (with reg. 7)

F2484 Words in s. 327(7A)(a) omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **64(b)**; 2020 c. 1, Sch. 5 para. 1(1)

F2485 Words in s. 327(7B) omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **64(c)**; 2020 c. 1, Sch. 5 para. 1(1)

F2486 Words in s. 327(7C) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **64(d)**; 2020 c. 1, Sch. 5 para. 1(1)

F2487 S. 327(9) inserted (E.W.S.) (29.11.2018 for specified purposes, 1.4.2019 in so far as not already in force) by The Financial Services and Markets Act 2000 (Claims Management Activity) Order 2018 (S.I. 2018/1253), arts. 1(2)(3), **91(5)**

Modifications etc. (not altering text)

C1067 S. 327 modified in part (E.W.S.) (29.11.2018 for specified purposes, 1.4.2019 in so far as not already in force) by The Financial Services and Markets Act 2000 (Claims Management Activity) Order 2018 (S.I. 2018/1253), arts. 1(2)(3), **83(4)**

C1068 S. 327(5)(7) restricted (1.12.2001) by S.I. 2001/544, **arts. 2(1)**, 13(1); S.I. 2001/3538, **art. 2(1)**

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Commencement Information

I71 S. 327 wholly in force at 1.12.2001; s. 327 not in force at Royal Assent see s. 431(2); s. 327(6) in force for certain purposes at 25.2.2001 by S.I. 2001/516, art. 2(b), **Sch. Pt. 2**; s. 327 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**

328 Directions in relation to the general prohibition.

(1) The **[**F2488FCA**]** may direct that section 327(1) is not to apply to the extent specified in the direction.

(2) A direction under subsection (1)—

(a) must be in writing;

(b) may be given in relation to different classes of person or different descriptions of regulated activity.

(3) A direction under subsection (1) must be published in the way appearing to the **[**F2488FCA**]** to be best calculated to bring it to the attention of the public.

(4) The **[**F2488FCA**]** may charge a reasonable fee for providing a person with a copy of the direction.

(5) The **[**F2488FCA**]** must, without delay, give the Treasury a copy of any direction which it gives under this section.

[F2489(6) The **[**F2488FCA**]** may exercise the power conferred by subsection (1) only if it is satisfied F2490...—

(a) that it is desirable to do so in order to protect the interests of clients; F2491...

F2492(b) . . . . . .**]**

(7) In considering whether it is **[**F2493satisfied of the matter specified in subsection (6)(a)**]**, the **[**F2488FCA**]** must have regard amongst other things to the effectiveness of any arrangements made by any designated professional body—

(a) for securing compliance with rules made under section 332(1);

(b) for dealing with complaints against its members in relation to the carrying on by them of exempt regulated activities;

(c) in order to offer redress to clients who suffer, or claim to have suffered, loss as a result of misconduct by its members in their carrying on of exempt regulated activities;

(d) for co-operating with the **[**F2488FCA**]** under section 325(4).

(8) In this Part "clients" means—

(a) persons who use, have used or are or may be contemplating using, any of the services provided by a member of a profession in the course of carrying on exempt regulated activities;

(b) persons who have rights or interests which are derived from, or otherwise attributable to, the use of any such services by other persons; or

(c) persons who have rights or interests which may be adversely affected by the use of any such services by persons acting on their behalf or in a fiduciary capacity in relation to them.

(9) If a member of a profession is carrying on an exempt regulated activity in his capacity as a trustee, the persons who are, have been or may be beneficiaries of the trust are

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to be treated as persons who use, have used or are or may be contemplating using services provided by that person in his carrying on of that activity.

Textual Amendments

F2488 Word in s. 328 substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 16 para. 2** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2489 S. 328(6) substituted (14.1.2005) by The Insurance Mediation Directive (Miscellaneous Amendments) Regulations 2003 (S.I. 2003/1473), **reg. 9(a)**

F2490 Word in s. 328(6) omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **65(a)**; 2020 c. 1, Sch. 5 para. 1(1)

F2491 Word in s. 328(6)(a) omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **65(b)**; 2020 c. 1, Sch. 5 para. 1(1)

F2492 S. 328(6)(b) omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **65(c)**; 2020 c. 1, Sch. 5 para. 1(1)

F2493 Words in s. 328(7) substituted (14.1.2005) by The Insurance Mediation Directive (Miscellaneous Amendments) Regulations 2003 (S.I. 2003/1473), **reg. 9(b)**

Modifications etc. (not altering text)

C1069 S. 328(8) modified by S.I. 2001/544, art. 60S(2)(3) (as inserted (14.2.2014 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2014 (S.I. 2014/366), arts. 1(3)(4), **2(37)**)

C1070 S. 328(8) modified by S.I. 2001/544, art. 60LA(2)(3) (as inserted (14.2.2014 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2014 (S.I. 2014/366), arts. 1(3)(4), **2(33)**)

329 Orders in relation to the general prohibition.

(1) Subsection (2) applies if it appears to the **[**F2494FCA**]** that a person to whom, as a result of section 327(1), the general prohibition does not apply is not a fit and proper person to carry on regulated activities in accordance with that section.

(2) The **[**F2494FCA**]** may make an order disapplying section 327(1) in relation to that person to the extent specified in the order.

(3) The **[**F2494FCA**]** may, on the application of the person named in an order under subsection (1), vary or revoke it.

(4) "Specified" means specified in the order.

(5) If a partnership is named in an order under this section, the order is not affected by any change in its membership.

(6) If a partnership named in an order under this section is dissolved, the order continues to have effect in relation to any partnership which succeeds to the business of the dissolved partnership.

(7) For the purposes of subsection (6), a partnership is to be regarded as succeeding to the business of another partnership only if—

(a) the members of the resulting partnership are substantially the same as those of the former partnership; and

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(b) succession is to the whole or substantially the whole of the business of the former partnership.

Textual Amendments

F2494 Word in s. 329 substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 16 para. 3** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

Modifications etc. (not altering text)

C1071 S. 329(1) amended (*temp.* from 3.9.2001 to 1.12.2001) by S.I. 2001/2659, **arts. 1(2)**, 3(4); S.I. 2001/3538, **art. 2(1)**

330 Consultation.

(1) Before giving a direction under section 328(1), the **[**F2495FCA**]** must publish a draft of the proposed direction.

(2) The draft must be accompanied by—

(a) a cost benefit analysis; and

(b) notice that representations about the proposed direction may be made to the **[**F2495FCA**]** within a specified time.

(3) Before giving the proposed direction, the **[**F2495FCA**]** must have regard to any representations made to it in accordance with subsection (2)(b).

(4) If the **[**F2495FCA**]** gives the proposed direction it must publish an account, in general terms, of—

(a) the representations made to it in accordance with subsection (2)(b); and

(b) its response to them.

(5) If the direction differs from the draft published under subsection (1) in a way which is, in the opinion of the **[**F2495FCA**]**, significant—

(a) the **[**F2495FCA**]** must (in addition to complying with subsection (4)) publish details of the difference; and

(b) those details must be accompanied by a cost benefit analysis.

(6) Subsections (1) to (5) do not apply if the **[**F2495FCA**]** considers that the delay involved in complying with them would prejudice the interests of consumers.

(7) Neither subsection (2)(a) nor subsection (5)(b) applies if the **[**F2495FCA**]** considers—

(a) that, making the appropriate comparison, there will be no increase in costs; or

(b) that, making that comparison, there will be an increase in costs but the increase will be of minimal significance.

(8) The **[**F2495FCA**]** may charge a reasonable fee for providing a person with a copy of a draft published under subsection (1).

(9) When the **[**F2495FCA**]** is required to publish a document under this section it must do so in the way appearing to it to be best calculated to bring it to the attention of the public.

[F2496(10) Cost benefit analysis" means—

(a) an analysis of the costs together with an analysis of the benefits that will arise—

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(i) if the proposed direction is given, or

(ii) if subsection (5)(b) applies, from the direction that has been given, and

(b) subject to subsection (10A), an estimate of those costs and of those benefits.

(10A) If, in the opinion of the FCA—

(a) the costs or benefits referred to in subsection (10) cannot reasonably be estimated, or

(b) it is not reasonably practicable to produce an estimate,

the cost benefit analysis need not estimate them, but must include a statement of the FCA's opinion and an explanation of it.**]**

(11) "The appropriate comparison" means—

(a) in relation to subsection (2)(a), a comparison between the overall position if the direction is given and the overall position if it is not given;

(b) in relation to subsection (5)(b), a comparison between the overall position after the giving of the direction and the overall position before it was given.

Textual Amendments

F2495 Word in s. 330 substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 16 para. 4(a)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2496 S. 330(10)(10A) substituted for s. 330(10) (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 16 para. 4(b)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

331 Procedure on making or varying orders under section 329.

(1) If the **[**F2497FCA**]** proposes to make an order under section 329, it must give the person concerned a warning notice.

(2) The warning notice must set out the terms of the proposed order.

(3) If the **[**F2497FCA**]** decides to make an order under section 329, it must give the person concerned a decision notice.

(4) The decision notice must—

(a) name the person to whom the order applies;

(b) set out the terms of the order; and

(c) be given to the person named in the order.

(5) Subsections (6) to (8) apply to an application for the variation or revocation of an order under section 329.

(6) If the **[**F2497FCA**]** decides to grant the application, it must give the applicant written notice of its decision.

(7) If the **[**F2497FCA**]** proposes to refuse the application, it must give the applicant a warning notice.

(8) If the **[**F2497FCA**]** decides to refuse the application, it must give the applicant a decision notice.

(9) A person—

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(a) against whom the **[**[F2497]FCA**]** have decided to make an order under section 329, or

(b) whose application for the variation or revocation of such an order the **[**[F2497]FCA**]** had decided to refuse,

may refer the matter to the Tribunal.

(10) The **[**[F2497]FCA**]** may not make an order under section 329 unless—

(a) the period within which the decision to make to the order may be referred to the Tribunal has expired and no such reference has been made; or

(b) if such a reference has been made, the reference has been determined.

Textual Amendments

F2497 Word in s. 331 substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 16 para. 5** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

332 Rules in relation to persons to whom the general prohibition does not apply.

(1) The **[**[F2498]FCA**]** may make rules applicable to persons to whom, as a result of section 327(1), the general prohibition does not apply.

(2) The power conferred by subsection (1) is to be exercised for the purpose of ensuring that clients are aware that such persons are not authorised persons.

(3) A designated professional body must make rules—

(a) applicable to members of the profession in relation to which it is established who are not authorised persons; and

(b) governing the carrying on by those members of regulated activities (other than regulated activities in relation to which they are exempt persons).

(4) Rules made in compliance with subsection (3) must be designed to secure that, in providing a particular professional service to a particular client, the member carries on only regulated activities which arise out of, or are complementary to, the provision by him of that service to that client.

(5) Rules made by a designated professional body under subsection (3) require the approval of the **[**[F2498]FCA**]**.

Textual Amendments

F2498 Word in s. 332 substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 16 para. 6** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

Modifications etc. (not altering text)

C1072 S. 332(3)(b) restricted (1.12.2001) by S.I. 2001/544, **arts. 2(1)**, 13(1); S.I. 2001/3538, **art. 2(1)**

333 False claims to be a person to whom the general prohibition does not apply.

(1) A person who—

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(a) describes himself (in whatever terms) as a person to whom the general prohibition does not apply, in relation to a particular regulated activity, as a result of this Part, or

(b) behaves, or otherwise holds himself out, in a manner which indicates (or which is reasonably likely to be understood as indicating) that he is such a person,

is guilty of an offence if he is not such a person.

(2) In proceedings for an offence under this section it is a defence for the accused to show that he took all reasonable precautions and exercised all due diligence to avoid committing the offence.

(3) A person guilty of an offence under this section is liable on summary conviction to imprisonment for a term not exceeding six months or a fine not exceeding level 5 on the standard scale, or both.

(4) But where the conduct constituting the offence involved or included the public display of any material, the maximum fine for the offence is level 5 on the standard scale multiplied by the number of days for which the display continued.

[F2499]PART 20A

PENSIONS GUIDANCE

Textual Amendments

F2499 Pt. 20A omitted (1.1.2019) by virtue of Financial Guidance and Claims Act 2018 (c. 10), s. 37(5), **Sch. 3 para. 19**; S.I. 2018/1330, reg. 2(g)(v)

333A Introduction and definitions

. . . . . .

Giving of pensions guidance

333B Secretary of State's role in relation to pensions guidance

. . . . . .

333C Giving of pensions guidance

. . . . . .

333D Financial assistance to bodies involved in giving pensions guidance

. . . . . .

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Designation of guidance providers

333E Designation of providers of pensions guidance

. . . . . .

Co-operation and information sharing

333F Co-operation and information sharing

. . . . . .

False claims when giving pensions guidance

333G Offence of falsely claiming to be giving pensions guidance under arrangements made with Secretary of State

. . . . . .

Standards for giving of pensions guidance by designated guidance providers

333H Standards for giving of pensions guidance by designated guidance providers

. . . . . .

333I Monitoring of compliance with standards by designated guidance providers

. . . . . .

333J Failure by designated guidance providers to comply with standards: FCA recommendations

. . . . . .

333K FCA policy on making recommendations under section 333J

. . . . . .

333L FCA policy on making recommendations under section 333J: procedure

. . . . . .

333M Failure by designated guidance providers to comply with standards: ... directions

. . . . . .

Status: *This version of this Act contains provisions that are prospective.*
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333N Directions to designated guidance providers under section 333M: relationship with power to revoke a designation

. . . . . .

FCA's duties and power to give guidance

333O FCA's duties

. . . . . .

333P Power of the FCA to give guidance

. . . . . .

Funding of pensions guidance

333Q Funding of FCA's pensions guidance costs

. . . . . .

333R Funding of Secretary of State's pensions guidance costs

. . . . . .

[F2500 PART 20B

ILLEGAL MONEY LENDING

Textual Amendments

F2500 Pt. 20B inserted (6.7.2016) by Bank of England and Financial Services Act 2016 (c. 14), **ss. 29(2)**, 41(3); S.I. 2016/627, reg. 2(1)(w)

333S Financial assistance for action against illegal money lending

(1) The Treasury may make grants or loans, or give any other form of financial assistance, to any person for the purpose of taking action against illegal money lending.

(2) Taking action against illegal money lending includes—

(a) investigating illegal money lending and offences connected with illegal money lending;

(b) prosecuting, or taking other enforcement action in respect of, illegal money lending and offences connected with illegal money lending;

(c) providing education, information and advice about illegal money lending, and providing support to victims of illegal money lending;

(d) undertaking or commissioning research into the effectiveness of activities of the kind described in paragraphs (a) to (c);

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(e) providing advice, assistance and support (including financial support) to, and oversight of, persons engaged in activities of the kind described in paragraphs (a) to (c).

(3) A grant, loan or other form of financial assistance under subsection (1) may be made or given on such terms as the Treasury consider appropriate.

(4) "Illegal money lending" means carrying on a regulated activity within article 60B of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (S.I. 2001/544) (regulated credit agreements) in circumstances which constitute an authorisation offence.

333T Funding of action against illegal money lending

(1) The Treasury must, from time to time, notify the FCA of the amount of the Treasury's illegal money lending costs.

(2) The FCA must make rules requiring authorised persons, or any specified class of authorised person, to pay to the FCA specified amounts, or amounts calculated in a specified way, with a view to recovering the amount notified under subsection (1).

(3) The amounts to be paid under the rules may include a component to recover the expenses of the FCA in collecting the payments ("collection costs").

(4) Before the FCA publishes a draft of the rules it must consult the Treasury.

(5) The rules may be made only with the consent of the Treasury.

(6) The Treasury may notify the FCA of matters that they will take into account when deciding whether or not to give consent for the purposes of subsection (5).

(7) The FCA must have regard to any matters notified under subsection (6) before publishing a draft of rules to be made under this section.

(8) The FCA must pay to the Treasury the amounts that it receives under rules made under this section apart from amounts in respect of its collection costs (which it may keep).

(9) The Treasury must pay into the Consolidated Fund the amounts received by them under subsection (8).

(10) In this section the "Treasury's illegal money lending costs" means the expenses incurred, or expected to be incurred, by the Treasury—

(a) in connection with providing grants, loans, or other financial assistance to any person (under section 333S or otherwise) for the purpose of taking action against illegal money lending;

(b) in undertaking or commissioning research relating to taking action against illegal money lending.

(11) The Treasury may by regulations amend the definition of the "Treasury's illegal money lending costs".

(12) In this section "illegal money lending" and "taking action against illegal money lending" have the same meaning as in section 333S.**]**

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PART XXI

MUTUAL SOCIETIES

Friendly societies

334 The Friendly Societies Commission.

F2501(1) . . . . . .

F2502(2) . . . . . .

(3) The enactments relating to friendly societies which are mentioned in Part I of Schedule 18 are amended as set out in that Part.

(4) Part II of Schedule 18—

(a) removes certain restrictions on the ability of incorporated friendly societies to form subsidiaries and control corporate bodies; and

(b) makes connected amendments.

Textual Amendments

F2501 S. 334(1) repealed (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 54(1)(a)**, 122(3) (with s. 54(2), Sch. 20); S.I. 2013/423, art. 3, Sch.

F2502 S. 334(2) repealed (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 54(1)(a)**, 122(3) (with s. 54(2), Sch. 20); S.I. 2013/423, art. 3, Sch.

Commencement Information

I72 S. 334 wholly in force at 1.12.2001; s. 334 not in force at Royal Assent see s. 431(2); s. 334(1)(2) in force at 25.2.2001 by S.I. 2001/516, art. 2(a), **Sch. Pt. 1**; s. 334 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**

F2503335 The Registry of Friendly Societies.

. . . . . .

Textual Amendments

F2503 S. 335 repealed (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 54(1)(b)**, 122(3) (with s. 54(2), Sch. 20); S.I. 2013/423, art. 3, Sch.

Building societies

F2504336 The Building Societies Commission.

. . . . . .

Status: *This version of this Act contains provisions that are prospective.*
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Textual Amendments

F2504 S. 336 repealed (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 54(1)(c)**, 122(3) (with s. 54(2), Sch. 20); S.I. 2013/423, art. 3, Sch.

F2505 337 The Building Societies Investor Protection Board.

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Textual Amendments

F2505 S. 337 repealed (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 54(1)(d)**, 122(3) (with s. 54(2), Sch. 20); S.I. 2013/423, art. 3, Sch.

Industrial and provident societies and credit unions

F2506 338 Industrial and provident societies and credit unions.

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Textual Amendments

F2506 S. 338 repealed (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 54(1)(e)**, 122(3) (with s. 54(2), Sch. 20); S.I. 2013/423, art. 3, Sch.

Supplemental

F2507 339 Supplemental provisions.

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Textual Amendments

F2507 S. 339 repealed (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 54(1)(f)**, 122(3) (with s. 54(2), Sch. 20); S.I. 2013/423, art. 3, Sch.

PART XXII

AUDITORS AND ACTUARIES

Modifications etc. (not altering text)

C1073 Pt. 22 applied (with modifications) (30.4.2011) by The Electronic Money Regulations 2011 (S.I. 2011/99), regs. 1(2)(b), 62, **Sch. 3 para. 5** (with reg. 3) (as amended (1.4.2013) by S.I. 2013/472, **Sch. 2 para. 196(5)(e)** and (18.9.2023) by S.I. 2023/790, regs. 1(2)(a), **2(3)(b)**)

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[F2508[F2509General duties of regulator]

Textual Amendments

F2508 S. 339A and cross-heading inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 13 para. 2** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F2509 S. 339A cross-heading substituted (1.3.2014) by Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 134(3)**, 148(5); S.I. 2014/377, art. 2(1)(a), Sch. Pt. 1

339A General duties of PRA in relation to auditors

(1) The arrangements maintained by the PRA under section 2K (supervision of PRA-authorised persons) must include arrangements for—

(a) the sharing with auditors of PRA-authorised persons of information that the PRA is not prevented from disclosing, and

(b) the exchange of opinions with auditors of PRA-authorised persons.

(2) The PRA must issue and maintain a code of practice describing how it will comply with subsection (1).

(3) The PRA may at any time alter or replace a code issued under this section.

(4) If a code is altered or replaced, the PRA must issue the altered or replacement code.

(5) When the PRA issues a code under this section the PRA must—

(a) give a copy of the code to the Treasury, and

(b) publish the code in such manner as the PRA thinks fit.

(6) The Treasury must lay before Parliament a copy of the code.

(7) "Auditor" means an auditor appointed under or as a result of a statutory provision.**]**

[F2510339B Duty to meet auditors of certain institutions

(1) The FCA must make arrangements for meetings to take place at least once a year between—

(a) the FCA, and

(b) the auditor of any PRA-authorised person to which section 339C applies.

(2) The PRA must make arrangements for meetings to take place at least once a year between—

(a) the PRA, and

(b) the auditor of any PRA-authorised person to which section 339C applies.

(3) The annual report of each regulator must include the number of meetings that have taken place during the period to which the report relates between the regulator and auditors of PRA-authorised persons to which section 339C applies.

(4) In subsection (3) "the annual report" means—

(a) in relation to the FCA, every report which it is required by paragraph 11 of Schedule 1ZA to make to the Treasury, and

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(b) in relation to the PRA, every report which it is required by paragraph 19 of Schedule 1ZB to make to the Treasury.

(5) In this section "auditor" means an auditor appointed under or as a result of a statutory provision.

Textual Amendments

F2510 Ss. 339B, 339C inserted (1.3.2014) by Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 134(2)**, 148(5); S.I. 2014/377, art. 2(1)(a), Sch. Pt. 1

339C PRA-authorised persons to which this section applies

(1) This section applies to a PRA-authorised person which—

(a) is a UK institution,

(b) meets condition A or B,

(c) is not an insurer or a credit union, and

(d) is, in the opinion of the PRA, important to the stability of the UK financial system.

(2) Condition A is that the person has permission under Part 4A to carry on the regulated activity of accepting deposits.

(3) Condition B is that—

(a) the person is an investment firm that has permission under Part 4A to carry on the regulated activity of dealing in investments as principal, and

(b) when carried on by the person, that activity is a PRA-regulated activity.

(4) In this section—

(a) "UK institution" means an institution which is incorporated in, or formed under the law of any part of, the United Kingdom;

(b) "insurer" means an institution which is authorised under this Act to carry on the regulated activity of effecting or carrying out contracts of insurance as principal;

(c) "credit union" means a credit union as defined by section 31 of the Credit Unions Act 1979 or a credit union as defined by Article 2(2) of the Credit Unions (Northern Ireland) Order 1985.

(5) Subsections (2), (3) and (4)(b) are to be read in accordance with Schedule 2, taken together with any order under section 22.**]**

Textual Amendments

F2510 Ss. 339B, 339C inserted (1.3.2014) by Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 134(2)**, 148(5); S.I. 2014/377, art. 2(1)(a), Sch. Pt. 1

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Appointment

340 Appointment.

(1) **[**[F2511]The appropriate regulator may make rules requiring**]** an authorised person, or an authorised person falling within a specified class—

(a) to appoint an auditor, or

(b) to appoint an actuary,

if he is not already under an obligation to do so imposed by another enactment.

(2) **[**[F2512]The appropriate regulator may make rules requiring**]** an authorised person, or an authorised person falling within a specified class—

(a) to produce periodic financial reports; and

(b) to have them reported on by an auditor or an actuary.

[[F2513](3A) The PRA—

(a) must make rules imposing on auditors of PRA-authorised persons such duties as may be specified in relation to co-operation with the PRA in connection with the supervision by the PRA of PRA-authorised persons, and

(b) may make rules—

(i) imposing such other duties on auditors of PRA-authorised persons as may be specified, and

(ii) imposing such duties on actuaries acting for PRA-authorised persons as may be specified.

(3B) The FCA may make rules imposing on auditors of, or actuaries acting for, authorised persons such duties as may be specified.**]**

(4) Rules under subsection (1) may make provision—

(a) specifying the manner in which and time within which an auditor or actuary is to be appointed;

(b) requiring the **[**[F2514]regulator making the rules**]** to be notified of an appointment;

(c) enabling the **[**[F2514]regulator making the rules**]** to make an appointment if no appointment has been made or notified;

(d) as to remuneration;

(e) as to the term of office, removal and resignation of an auditor or actuary.

(5) An auditor or actuary appointed as a result of rules under subsection (1), or on whom duties are imposed by rules under subsection **[**[F2515](3A) or (3B)**]**—

(a) must act in accordance with such provision as may be made by rules; and

(b) is to have such powers in connection with the discharge of his functions as may be provided by rules.

[[F2516](5A) In subsections (1) and (2) "the appropriate regulator" means—

(a) in the case of a PRA-authorised person, the PRA;

(b) in any other case, the FCA.**]**

(6) In subsections (1) to **[**[F2517](3B)**]** "auditor" or "actuary" means an auditor, or actuary, who satisfies such requirements as to qualifications, experience and other matters (if any) as may be specified.

(7) "Specified" means specified in rules.

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[F2518(8) The powers conferred by this section enable only the making of such rules as appear to the regulator making them to be necessary or expedient—

(a) in the case of the FCA, for the purpose of advancing one or more of its operational objectives, or

(b) in the case of the PRA, for the purpose of advancing any of its objectives.**]**

Textual Amendments

F2511 Words in s. 340(1) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 13 para. 3(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2512 Words in s. 340(2) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 13 para. 3(3)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2513 S. 340(3A)(3B) substituted for s. 340(3) (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 13 para. 3(4)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2514 Words in s. 340(4) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 13 para. 3(5)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2515 Words in s. 340(5) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 13 para. 3(6)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2516 S. 340(5A) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 13 para. 3(7)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2517 Word in s. 340(6) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 13 para. 3(8)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2518 S. 340(8) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 13 para. 3(9)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

Modifications etc. (not altering text)

C1074 S. 340 applied (with modifications) (18.9.2023) by S.I. 2017/752, **Sch. 6 para. 7(1)** (as inserted by The Electronic Money, Payment Card Interchange Fee and Payment Services (Amendment) Regulations 2023 (S.I. 2023/790), regs. 1(2)(a), **4(5)(b)(ii)**)

Information

341 Access to books etc.

(1) An appointed auditor of, or an appointed actuary acting for, an authorised person—

(a) has a right of access at all times to the authorised person's books, accounts and vouchers; and

(b) is entitled to require from the authorised person's officers such information and explanations as he reasonably considers necessary for the performance of his duties as auditor or actuary.

(2) "Appointed" means appointed under or as a result of this Act.

Modifications etc. (not altering text)

C1075 Ss. 341-346 applied (with modifications) (1.11.2009) by The Payment Services Regulations 2009 (S.I. 2009/209), regs. 1(2)(c), 95, **Sch. 5 para. 4** (with reg. 3)

C1076 Ss. 341-346 applied (with modifications) (13.1.2018) by The Payment Services Regulations 2017 (S.I. 2017/752), reg. 1(6), **Sch. 6 para. 7** (with reg. 3)

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342 Information given by auditor or actuary to [F2519a regulator].

(1) This section applies to a person who is, or has been, an auditor of an authorised person [F2520or recognised investment exchange,] appointed under or as a result of a statutory provision.

(2) This section also applies to a person who is, or has been, an actuary acting for an authorised person and appointed under or as a result of a statutory provision.

(3) An auditor or actuary does not contravene any duty to which he is subject merely because he gives to [F2521a regulator]—

(a) information on a matter of which he has, or had, become aware in his capacity as auditor of, or actuary acting for, the authorised person [F2522or recognised investment exchange], or

(b) his opinion on such a matter,

if he is acting in good faith and he reasonably believes that the information or opinion is relevant to any functions of [F2523that regulator].

(4) Subsection (3) applies whether or not the auditor or actuary is responding to a request from the [F2524regulator].

(5) The Treasury may make regulations prescribing circumstances in which an auditor or actuary must communicate matters to [F2525a regulator] as mentioned in subsection (3).

(6) It is the duty of an auditor or actuary to whom any such regulations apply to communicate a matter to [F2525a regulator] in the circumstances prescribed by the regulations.

[F2526(6A) If the authorised person concerned is a credit institution or an investment firm, and an auditor or actuary communicates a matter to a regulator in accordance with the regulations, the matter must be disclosed simultaneously to the management body of the authorised person, unless there are compelling reasons not to do so.]

(7) The matters to be communicated to [F2525a regulator] in accordance with the regulations may include matters relating to persons other than the authorised person [F2527or recognised investment exchange] concerned.

[F2528(8) In subsection (6A) [F2529"investment firm" has] the same meaning as in Article 4(1) of the capital requirements regulation.]

Textual Amendments

F2519 Words in s. 342 heading substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 13 para. 4(6)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2520 Words in s. 342(1) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 13 para. 4(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2521 Words in s. 342(3) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 13 para. 4(3)(a)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2522 Words in s. 342(3) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 13 para. 4(3)(b)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2523 Words in s. 342(3) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 13 para. 4(3)(c)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2524 Word in s. 342(4) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 13 para. 4(4)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

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F2525 Words in s. 342 substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 13 para. 4(6)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.
F2526 S. 342(6A) inserted (1.1.2014) by The Capital Requirements Regulations 2013 (S.I. 2013/3115), reg. 1(2), **Sch. 2 para. 20(2)**
F2527 Words in s. 342(7) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 13 para. 4(5)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.
F2528 S. 342(8) inserted (1.1.2014) by The Capital Requirements Regulations 2013 (S.I. 2013/3115), reg. 1(2), **Sch. 2 para. 20(3)**
F2529 Words in s. 342(8) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **67**; 2020 c. 1, Sch. 5 para. 1(1)

Modifications etc. (not altering text)
C1076 Ss. 341-346 applied (with modifications) (13.1.2018) by The Payment Services Regulations 2017 (S.I. 2017/752), reg. 1(6), **Sch. 6 para. 7** (with reg. 3)
C1077 Ss. 341-346 applied (with modifications) (1.11.2009) by The Payment Services Regulations 2009 (S.I. 2009/209), regs. 1(2)(c), 95, **Sch. 5 para. 4** (with reg. 3)
C1078 S. 342 applied (with modifications) (3.1.2018) by The Data Reporting Services Regulations 2017 (S.I. 2017/699), regs. 1(2)(b), **34**
C1079 S. 342 applied (with modifications) (27.2.2018) by The Financial Services and Markets Act 2000 (Benchmarks) Regulations 2018 (S.I. 2018/135), regs. 1(2), **20**
C1080 S. 342 applied (with modifications) (10.6.2019) by The Proxy Advisors (Shareholders Rights) Regulations 2019 (S.I. 2019/926), regs. 1, **20**, 23
C1081 S. 342 applied (with modifications) (5.4.2024) by The Data Reporting Services Regulations 2024 (S.I. 2024/107), regs. 1(2), **20**; S.I. 2023/1382, reg. 4(c)

Commencement Information
I73 S. 342 wholly in force at 1.12.2001; s. 342 not in force at Royal Assent see s. 431(2); s. 342(5) in force at 25.2.2001 by S.I. 2001/516, art. 2(a), **Sch. Pt. 1**; s. 342 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**

343 Information given by auditor or actuary to [F2530a regulator]: persons with close links.

(1) This section applies to a person who—

(a) is, or has been, an auditor of an authorised person **[**F2531or recognised investment exchange,**]** appointed under or as a result of a statutory provision; and

(b) is, or has been, an auditor of a person ("CL") who has close links with the authorised person **[**F2532or recognised investment exchange**]**.

(2) This section also applies to a person who—

(a) is, or has been, an actuary acting for an authorised person and appointed under or as a result of a statutory provision; and

(b) is, or has been, an actuary acting for a person ("CL") who has close links with the authorised person.

(3) An auditor or actuary does not contravene any duty to which he is subject merely because he gives to **[**F2533a regulator**]**—

(a) information on a matter concerning the authorised person **[**F2534or recognised investment exchange**]** of which he has, or had, become aware in his capacity as auditor of, or actuary acting for, CL, or

(b) his opinion on such a matter,

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if he is acting in good faith and he reasonably believes that the information or opinion is relevant to any functions of **[**F2535that regulator**]**.

(4) Subsection (3) applies whether or not the auditor or actuary is responding to a request from the **[**F2536regulator**]**.

(5) The Treasury may make regulations prescribing circumstances in which an auditor or actuary must communicate matters to **[**F2537a regulator**]** as mentioned in subsection (3).

(6) It is the duty of an auditor or actuary to whom any such regulations apply to communicate a matter to **[**F2537a regulator**]** in the circumstances prescribed by the regulations.

[F2538(6A) If the authorised person concerned is a credit institution or an investment firm, and an auditor or actuary communicates a matter to a regulator in accordance with the regulations, the matter must be disclosed simultaneously to the management body of the authorised person, unless there are compelling reasons not to do so.**]**

(7) The matters to be communicated to **[**F2537a regulator**]** in accordance with the regulations may include matters relating to persons other than the authorised person **[**F2539or recognised investment exchange**]** concerned.

(8) CL has close links with the authorised person **[**F2540or recognised investment exchange**]** concerned ("A") if CL is—

(a) a parent undertaking of A;

(b) a subsidiary undertaking of A;

(c) a parent undertaking of a subsidiary undertaking of A; or

(d) a subsidiary undertaking of a parent undertaking of A.

F2541(9) . . . . . .

[F2542(10) In subsection (6A) **[**F2543"investment firm" has**]** the same meaning as in Article 4(1) of the capital requirements regulation.**]**

Textual Amendments

F2530 Words in s. 343 heading substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 13 para. 5(7)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2531 Words in s. 343(1)(a) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 13 para. 5(2)(a)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2532 Words in s. 343(1)(b) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 13 para. 5(2)(b)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2533 Words in s. 343(3) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 13 para. 5(3)(a)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2534 Words in s. 343(3) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 13 para. 5(3)(b)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2535 Words in s. 343(3) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 13 para. 5(3)(c)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2536 Word in s. 343(4) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 13 para. 5(4)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2537 Words in s. 343 substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 13 para. 5(7)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2538 S. 343(6A) inserted (1.1.2014) by The Capital Requirements Regulations 2013 (S.I. 2013/3115), reg. 1(2), **Sch. 2 para. 21(2)**

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

F2539 Words in s. 343(7) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 13 para. 5(5)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2540 Words in s. 343(8) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 13 para. 5(6)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2541 S. 343(9) omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **68(a)**; 2020 c. 1, Sch. 5 para. 1(1)

F2542 S. 343(10) inserted (1.1.2014) by The Capital Requirements Regulations 2013 (S.I. 2013/3115), reg. 1(2), **Sch. 2 para. 21(3)**

F2543 Words in s. 343(10) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **68(b)**; 2020 c. 1, Sch. 5 para. 1(1)

Modifications etc. (not altering text)

C1076 Ss. 341-346 applied (with modifications) (13.1.2018) by The Payment Services Regulations 2017 (S.I. 2017/752), reg. 1(6), **Sch. 6 para. 7** (with reg. 3)

C1082 Ss. 341-346 applied (with modifications) (1.11.2009) by The Payment Services Regulations 2009 (S.I. 2009/209), regs. 1(2)(c), 95, **Sch. 5 para. 4** (with reg. 3)

C1083 S. 343 applied (with modifications) (3.1.2018) by The Data Reporting Services Regulations 2017 (S.I. 2017/699), regs. 1(2)(b), **34**

C1084 S. 343 applied (with modifications) (27.2.2018) by The Financial Services and Markets Act 2000 (Benchmarks) Regulations 2018 (S.I. 2018/135), regs. 1(2), **20**

C1085 S. 343 applied (with modifications) (10.6.2019) by The Proxy Advisors (Shareholders Rights) Regulations 2019 (S.I. 2019/926), regs. 1, **20**, 23

C1086 S. 343 applied (with modifications) (5.4.2024) by The Data Reporting Services Regulations 2024 (S.I. 2024/107), regs. 1(2), **20**; S.I. 2023/1382, reg. 4(c)

Commencement Information

I74 S. 343 wholly in force at 1.12.2001; s. 343 not in force at Royal Assent see s. 431(2); s. 343(5) in force at 25.2.2001 by S.I. 2001/516, art. 2(a), **Sch. Pt. 1**; s. 343 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**

344 Duty of auditor or actuary resigning etc. to give notice.

(1) This section applies to an auditor or actuary to whom section 342 applies.

(2) He must without delay notify the **[**[F2544]appropriate regulator**]** if he—

(a) is removed from office by an authorised person **[**[F2545]or recognised investment exchange**]**;

(b) resigns before the expiry of his term of office with such a person; or

(c) is not re-appointed by such a person.

(3) If he ceases to be an auditor of, or actuary acting for, such a person, he must without delay notify the **[**[F2544]appropriate regulator**]**—

(a) of any matter connected with his so ceasing which he thinks ought to be drawn to the **[**[F2546]regulator's**]** attention; or

(b) that there is no such matter.

[[F2547](4) In this section "the appropriate regulator" means—

(a) in the case of an auditor of, or an actuary acting for, a PRA-authorised person, the PRA;

(b) in any other case, the FCA.**]**

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Textual Amendments

F2544 Words in s. 344 substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 13 para. 6(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2545 Words in s. 344(2)(a) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 13 para. 6(3)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2546 Word in s. 344(3)(a) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 13 para. 6(4)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2547 S. 344(4) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 13 para. 6(5)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

Modifications etc. (not altering text)

C1076 Ss. 341-346 applied (with modifications) (13.1.2018) by The Payment Services Regulations 2017 (S.I. 2017/752), reg. 1(6), **Sch. 6 para. 7** (with reg. 3)

C1087 Ss. 341-346 applied (with modifications) (1.11.2009) by The Payment Services Regulations 2009 (S.I. 2009/209), regs. 1(2)(c), 95, **Sch. 5 para. 4** (with reg. 3) (as amended (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 155(6)(d)** (with Sch. 2 para. 156))

C1088 S. 344 applied (with modifications) (3.1.2018) by The Data Reporting Services Regulations 2017 (S.I. 2017/699), regs. 1(2)(b), **34**

C1089 S. 344 applied (with modifications) (27.2.2018) by The Financial Services and Markets Act 2000 (Benchmarks) Regulations 2018 (S.I. 2018/135), regs. 1(2), **20**

C1090 S. 344 applied (with modifications) (10.6.2019) by The Proxy Advisors (Shareholders Rights) Regulations 2019 (S.I. 2019/926), regs. 1, **20**, 23

C1091 S. 344 applied (with modifications) (5.4.2024) by The Data Reporting Services Regulations 2024 (S.I. 2024/107), regs. 1(2), **20**; S.I. 2023/1382, reg. 4(c)

I[F2548] Disciplinary measures

Textual Amendments

F2548 Ss. 345-345E and cross-heading substituted for s. 345 (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 13 para. 7(1)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

345 Disciplinary measures: FCA

(1) Subsection (2) applies if it appears to the FCA that an auditor or actuary to whom section 342 applies—

(a) has failed to comply with a duty imposed on the auditor or actuary by rules made by the FCA, or

(b) has failed to comply with a duty imposed under this Act to communicate information to the FCA.

(2) The FCA may do one or more of the following—

(a) disqualify the auditor or actuary from being the auditor of, or (as the case may be) from acting as an actuary for, any authorised person or any particular class of authorised person;

(b) disqualify the auditor from being the auditor of any recognised investment exchange or any particular class of recognised investment exchange;

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(c) publish a statement to the effect that it appears to the FCA that the auditor or (as the case may be) actuary has failed to comply with the duty;

(d) impose on the auditor or actuary a penalty, payable to the FCA, of such amount as the FCA considers appropriate.

(3) If an auditor or actuary has been disqualified by the PRA under section 345A(4)(a), the FCA may disqualify the auditor or actuary, so long as the disqualification under that provision remains in force, from being the auditor of, or (as the case may be) from acting as an actuary for—

(a) any FCA-authorised person,

(b) any particular class of FCA-authorised person,

(c) any recognised investment exchange, or

(d) any particular class of recognised investment exchange.

(4) In subsection (3) "FCA-authorised person" means an authorised person who is not a PRA-authorised person.

(5) Where under subsection (2) or (3) the FCA disqualifies a person from being the auditor of an authorised person or recognised investment exchange or class of authorised person or recognised investment exchange and that authorised person or recognised investment exchange is also, or any person within that class is also, a recognised clearing house **[**F2549or a recognised CSD**]**, the FCA must —

(a) notify the Bank of England, and

(b) notify the disqualified person that it has made a notification under paragraph (a).

(6) The FCA may remove any disqualification imposed under paragraph (a) or (b) of subsection (2) if satisfied that the disqualified person will in future comply with the duty in question.

(7) The FCA may at any time remove any disqualification imposed under subsection (3).

Textual Amendments

F2549 Words in s. 345(5) inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **2(35)** (with regs. 7(4), 9(1))

Modifications etc. (not altering text)

C1076 Ss. 341-346 applied (with modifications) (13.1.2018) by The Payment Services Regulations 2017 (S.I. 2017/752), reg. 1(6), **Sch. 6 para. 7** (with reg. 3)

C1092 S. 345 applied (with modifications) (1.4.2013) by The Financial Services Act 2012 (Transitional Provisions) (Enforcement) Order 2013 (S.I. 2013/441), arts. 1(1), **14(4)**

345A Disciplinary measures: PRA

(1) The following provisions of this section have effect only if the Treasury, by order made after consultation with the PRA, so provide.

(2) Subsection (3) applies if it appears to the PRA that an auditor or actuary to whom section 342 applies—

(a) has failed to comply with a duty imposed on the auditor or actuary by rules made by the PRA, or

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(b) has failed to comply with a duty imposed under this Act to communicate information to the PRA.

(3) The PRA may exercise one or more of the specified powers.

(4) The specified powers are such one or more of the following as may be specified in the order under subsection (1)—

(a) to disqualify the auditor or actuary from being the auditor of, or (as the case may be) from acting as an actuary for, any PRA-authorised person or any particular class of PRA-authorised person;

(b) to publish a statement to the effect that it appears to the PRA that the auditor or (as the case may be) actuary has failed to comply with the duty;

(c) to impose on the auditor or actuary a penalty, payable to the PRA, of such amount as the PRA considers appropriate.

(5) Where the PRA disqualifies a person under subsection (4)(a) it must—

(a) notify the FCA, and

(b) notify the person concerned that it has made a notification under paragraph (a).

F2550(6) . . . . . .

(7) The PRA may remove any disqualification imposed under subsection (4)(a) if satisfied that the disqualified person will in future comply with the duty in question.

Textual Amendments

F2550 S. 345A(6) omitted (1.3.2017) by virtue of Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 44** (with Sch. 3); S.I. 2017/43, reg. 2(g)

Modifications etc. (not altering text)

C1076 Ss. 341-346 applied (with modifications) (13.1.2018) by The Payment Services Regulations 2017 (S.I. 2017/752), reg. 1(6), **Sch. 6 para. 7** (with reg. 3)

345B Procedure and right to refer to Tribunal

(1) If the FCA proposes to act under section 345(2) or the PRA proposes to act under section 345A(3), it must give the auditor or actuary to whom the action would relate a warning notice.

(2) A warning notice about a proposal to impose a penalty must state the amount of the penalty.

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

(4) If the FCA decides to act under section 345(2) or the PRA decides to act under section 345A(3), it must give the auditor or actuary to whom the action would relate a decision notice.

(5) A decision notice about the imposition of a penalty must state the amount of the penalty.

(6) A decision notice about the publication of a statement must set out the terms of the statement.

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(7) If the FCA decides to act under section 345(2) or the PRA decides to act under section 345A(3), the auditor or actuary concerned may refer the matter to the Tribunal.

Modifications etc. (not altering text)

C1076 Ss. 341-346 applied (with modifications) (13.1.2018) by The Payment Services Regulations 2017 (S.I. 2017/752), reg. 1(6), **Sch. 6 para. 7** (with reg. 3)

345C Duty on publication of statement

After a statement under section 345(2)(c) or 345A(4)(b) is published, the regulator that published it must send a copy of the statement to—

(a) the auditor or actuary, and

(b) any person to whom a copy of the decision notice was given under section 393(4).

Modifications etc. (not altering text)

C1076 Ss. 341-346 applied (with modifications) (13.1.2018) by The Payment Services Regulations 2017 (S.I. 2017/752), reg. 1(6), **Sch. 6 para. 7** (with reg. 3)

345D Imposition of penalties on auditors or actuaries: statement of policy

(1) The FCA must prepare and issue a statement of its policy with respect to—

(a) the imposition of penalties under section 345(2)(d), and

(b) the amount of penalties under that provision.

(2) If by virtue of an order under section 345A(1), the PRA has power to impose penalties under section 345A(4)(c), the PRA must prepare and issue a statement of its policy with respect to—

(a) the imposition of penalties under section 345A(4)(c), and

(b) the amount of penalties under that provision.

(3) A regulator's policy in determining what the amount of a penalty should be must include having regard to—

(a) the seriousness of the contravention, and

(b) the extent to which the contravention was deliberate or reckless.

(4) A regulator may at any time alter or replace a statement issued under this section.

(5) If a statement issued under this section is altered or replaced, the regulator must issue the altered or replacement statement.

(6) A regulator must, without delay, give the Treasury a copy of any statement which it publishes under this section.

(7) A statement issued under this section must be published by the regulator in the way appearing to the regulator to be best calculated to bring it to the attention of the public.

(8) In deciding whether to exercise a power under section 345(2)(d) in the case of any particular contravention, the FCA must have regard to any statement of policy

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published by it under this section and in force at a time when the contravention occurred.

(9) In deciding whether to exercise a power under section 345A(4)(c) in the case of any particular contravention, the PRA must have regard to any statement of policy published by it under this section and in force at a time when the contravention occurred.

(10) A regulator may charge a reasonable fee for providing a person with a copy of the statement.

Modifications etc. (not altering text)
C1076 Ss. 341-346 applied (with modifications) (13.1.2018) by The Payment Services Regulations 2017 (S.I. 2017/752), reg. 1(6), **Sch. 6 para. 7** (with reg. 3)

345E Statements of policy: procedure

(1) Before a regulator issues a statement under section 345D, the regulator must publish a draft of the proposed statement in the way appearing to the regulator to be best calculated to bring it to the attention of the public.

(2) The draft must be accompanied by notice that representations about the proposal may be made to the regulator within a specified time.

(3) Before issuing the proposed statement, the regulator must have regard to any representations made to it in accordance with subsection (2).

(4) If the regulator issues the proposed statement it must publish an account, in general terms, of—

(a) the representations made to it in accordance with subsection (2), and

(b) its response to them.

(5) If the statement differs from the draft published under subsection (1) in a way which is, in the opinion of the regulator, significant, the regulator must (in addition to complying with subsection (4)) publish details of the difference.

(6) A regulator may charge a reasonable fee for providing a person with a copy of a draft under subsection (1).

(7) This section also applies to a proposal to alter or replace a statement.**]**

Modifications etc. (not altering text)
C1076 Ss. 341-346 applied (with modifications) (13.1.2018) by The Payment Services Regulations 2017 (S.I. 2017/752), reg. 1(6), **Sch. 6 para. 7** (with reg. 3)

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Offence

346 Provision of false or misleading information to auditor or actuary.

(1) An authorised person who knowingly or recklessly gives an appointed auditor or actuary information which is false or misleading in a material particular is guilty of an offence and liable—

(a) on summary conviction, to imprisonment for a term not exceeding six months or a fine not exceeding the statutory maximum, or both;

(b) on conviction on indictment, to imprisonment for a term not exceeding two years or a fine, or both.

(2) Subsection (1) applies equally to an officer, controller or manager of an authorised person.

(3) "Appointed" means appointed under or as a result of this Act.

Modifications etc. (not altering text)

C1076 Ss. 341-346 applied (with modifications) (13.1.2018) by The Payment Services Regulations 2017 (S.I. 2017/752), reg. 1(6), **Sch. 6 para. 7** (with reg. 3)

C1093 Ss. 341-346 applied (with modifications) (1.11.2009) by The Payment Services Regulations 2009 (S.I. 2009/209), regs. 1(2)(c), 95, **Sch. 5 para. 4** (with reg. 3) (as amended (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 155(6)(d)** (with Sch. 2 para. 156))

PART XXIII

PUBLIC RECORD, DISCLOSURE OF INFORMATION AND CO-OPERATION

The public record

347 The record of authorised persons etc.

(1) The **[**F2551FCA**]** must maintain a record of every—

(a) person who appears to the **[**F2551FCA**]** to be an authorised person;

(b) authorised unit trust scheme;

[F2552(ba) authorised contractual scheme;**]**

(c) authorised open-ended investment company;

(d) recognised scheme;

(e) recognised investment exchange;

F2553(f) . . . . . .

(g) individual to whom a prohibition order **[**F2554**[**F2555or Part 9C prohibition order**]]][**F2554, Part 9C prohibition order or Part 18 prohibition order**]** relates;

(h) approved person; F2556. . .

[F2557(hza) Part 18 approved person;**]**

[F2558(ha) person to whom subsection (2A) applies; F2559...**]**

[F2560(hb) appointed representative to whom subsection (2B) applies;**]**

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[F2561(hc) appointed representative to whom subsection (2C) applies; and**]**

(i) person falling within such other class (if any) as the **[**F2551FCA**]** may determine.

(2) The record must include such information as the **[**F2551FCA**]** considers appropriate and at least the following information—

(a) in the case of a person appearing to the **[**F2551FCA**]** to be an authorised person—

(i) information as to the services which he holds himself out as able to provide; and

(ii) any address of which the **[**F2551FCA**]** is aware at which a notice or other document may be served on him;

(b) in the case of an authorised unit trust scheme, the name and address of the manager and trustee of the scheme;

[F2562(ba) in the case of an authorised contractual scheme, the name and address of the operator and depositary of the scheme;**]**

(c) in the case of an authorised open-ended investment company, the name and address of—

(i) the company;

(ii) if it has only one director, the director; and

(iii) its depositary (if any);

(d) in the case of a recognised scheme, the name and address of—

(i) the operator of the scheme; and

(ii) any representative of the operator in the United Kingdom;

(e) in the case of a recognised investment exchange F2563... the name and address of the exchange F2564...;

(f) in the case of an individual to whom a prohibition order **[**F2565, Part 9C prohibition order or Part 18 prohibition order**]** relates—

(i) his name; and

(ii) details of the effect of the order;

(g) in the case of a person who is an approved person—

(i) his name;

(ii) the name of the **[**F2566authorised person concerned**]**;

(iii) if the approved person is performing a controlled function under an arrangement with a contractor of the **[**F2567authorised person concerned**]**, the name of the contractor.

[F2568(iv) F2569... whether or not the person is a senior manager;**]**

[F2570(h) in the case of an approved person who is a senior manager in relation to **[**F2571an**]** authorised person—

(i) whether a final notice has been given to the person under section 390; and

(ii) if so, any information about the matter to which the notice relates which has been published under section 391(4).**]**

[F2572(ha) in the case of a person who is a Part 18 approved person—

(i) the person's name;

(ii) the name of the relevant recognised body concerned;

(iii) if the Part 18 approved person is performing a designated senior management function under an arrangement with a contractor of the relevant recognised body concerned, the name of the contractor;

(iv) whether a final notice has been given to the person under section 390;

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(v) if so, any information about the matter to which the notice relates which has been published under section 391(4);**]**

[F2573(i) in the case of a mortgage intermediary—

(i) the names of the persons within the management who are responsible for the activities specified by article 25A (arranging regulated mortgage contracts), article 36A (credit broking), article 53A (advising on regulated mortgage contracts) and article 53DA (advising on regulated credit agreements the purpose of which is to acquire land) of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001; and

(ii) whether the mortgage intermediary is a tied mortgage intermediary or not;

(j) in the case of an appointed representative to whom subsection (2B) applies, the name of the mortgage intermediary on whose behalf the appointed representative acts;**]**

[F2574(2A) This subsection applies to—

(a) an appointed representative to whom subsection (1A) **[**F2575or (1AA)**]** of section 39 applies for whom the applicable register (as defined by subsection (1B) of that section) is the record maintained by virtue of subsection (1)(ha) above; **[**F2576and**]**

(b) a person mentioned in subsection (1)(a) of section 39A if—

(i) the contract with an authorised person to which he is party complies with the applicable requirements (as defined by subsection (7) of that section), and

(ii) the authorised person has accepted responsibility in writing for the person's activities in carrying on investment services business (as defined by subsection (8) of that section); F2577...

F2578(c) . . . . . .**]**

[F2579(2B) This subsection applies to an appointed representative to whom section 39(1BA) applies or to whom that subsection would apply if the requirements of section 39(1BB) were not met.**]**

[F2580(2C) This subsection applies to an appointed representative of an authorised person who has a Part 4A permission by virtue of regulation 4 or 7 of the Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/ XXXX).**]**

(3) If it appears to the **[**F2551FCA**]** that a person in respect of whom there is an entry in the record as a result of one of the paragraphs of subsection (1) has ceased to be a person to whom that paragraph applies, the **[**F2551FCA**]** may remove the entry from the record.

[F2581(3A) But if a person ceases to be a person to whom one of the paragraphs of subsection (1) applies as a **[**F2582result of a cancellation of that person's Part 4A permission under section 55J because one or more of the conditions in section 55K(1)(b) to (d) was met, the power**]** conferred by subsection (3) is not exercisable for a period of five years from the date on which the person ceased to be a person to whom subsection (1) applied.

(3B) Where the power conferred by subsection (3) is not exercisable in respect of an entry in the record as a result of subsection (3A) the FCA must—

(a) make a note in the record that it considers the person to whom the entry relates has ceased to be person to whom one of the paragraphs of subsection (1)

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applies as a result of a cancellation of that person's Part 4A permission for a reason mentioned in subsection (3A)(a) or (b); and

(b) state why it considers that is the case.**]**

(4) But if the **[**F2551FCA**]** decides not to remove the entry, it must—

(a) make a note to that effect in the record; and

(b) state why it considers that the person has ceased to be a person to whom that paragraph applies **[**F2583in any case where it has not already done so under subsection (3B)**]**.

[F2584(4A) If the FCA cancels or varies the Part 4A permission of a mortgage intermediary and as a result the person to whom the entry relates no longer has a Part 4A permission to carry on a relevant mortgage activity within the meaning of section 55J(6C), the FCA must delete mention of such permission from the record without undue delay.**]**

(5) The **[**F2551FCA**]** must—

(a) make the record available for inspection by members of the public in a legible form at such times and in such place or places as the **[**F2551FCA**]** may determine; and

(b) provide a certified copy of the record, or any part of it, to any person who asks for it—

(i) on payment of the fee (if any) fixed by the **[**F2551FCA**]**; and

(ii) in a form (either written or electronic) in which it is legible to the person asking for it.

(6) The **[**F2551FCA**]** may—

(a) publish the record, or any part of it;

(b) exploit commercially the information contained in the record, or any part of that information.

(7) "Authorised unit trust scheme", **[**F2585"authorised contractual scheme",**]** "authorised open-ended investment company" and "recognised scheme" have the same meaning as in Part XVII, and associated expressions are to be read accordingly.

(8) "Approved person" **[**F2586(except in the expression "Part 18 approved person")**]** means a person in relation to whom the **[**F2587FCA or the PRA**]** has given its approval under section 59 and "controlled function" and "arrangement" have the same meaning as in that section.

[F2588(8ZA) "Part 18 approved person" means a person in relation to whom the FCA has given its approval under section 309G.**]**

[F2589(8A) In this section—

F2590...

F2591...

"senior manager", in relation to **[**F2592an**]** authorised person, means a person who has approval under section 59 to perform a designated senior management function in relation to the carrying on by the authorised person of a regulated activity, and

"designated senior management function" **[**F2593**[**F2594has the meaning given by section 59ZB.**][**F2593— **]**

(a) in relation to an authorised person, has the meaning given by section 59ZB;

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(b) in relation to a relevant recognised body, has the meaning given by section 309G(3);**]]**

[[F2595]"relevant recognised body" has the same meaning as in Chapter 2A of Part 18 (see section 309A).**]**

[[F2596](9) The authorised person concerned", in relation to an approved person, means the person on whose application approval **[**[F2597]under section 59**]** was given.**]**

[[F2598](10) "The relevant recognised body concerned", in relation to a Part 18 approved person, means the relevant recognised body on whose application approval under section 309G was given.**]**

Textual Amendments

F2551 Word in s. 347(1)-(6) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 12 para. 16(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2552 S. 347(1)(ba) inserted (6.6.2013) by The Collective Investment in Transferable Securities (Contractual Scheme) Regulations 2013 (S.I. 2013/1388), regs. 1, **3(16)(a)** (with reg. 24)

F2553 S. 347(1)(f) omitted (1.4.2013) by virtue of Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 12 para. 16(3)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2554 Words in s. 347(1)(g) substituted (29.6.2023 for specified purposes) by Financial Services and Markets Act 2023 (c. 29), s. 86(1)(e), **Sch. 10 para. 12(2)(a)**

F2555 Words in s. 347(1)(g) inserted (1.7.2021) by Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 2 para. 11** (with Sch. 2 Pt. 3); S.I. 2021/671, reg. 4(b)

F2556 Word in s. 347(1) omitted (1.4.2007 for certain purposes and 1.11.2007 otherwise) by virtue of The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2007 (S.I. 2007/126), regs. 1(2), 3(5), **Sch. 5 para. 12(a)**

F2557 S. 347(1)(hza) inserted (29.6.2023 for specified purposes) by Financial Services and Markets Act 2023 (c. 29), s. 86(1)(e), **Sch. 10 para. 12(2)(b)**

F2558 S. 347(1)(ha) inserted (1.4.2007 for certain purposes and 1.11.2007 otherwise) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2007 (S.I. 2007/126), regs. 1(2), 3(5), **Sch. 5 para. 12(b)**

F2559 Word in s. 347(1)(ha) omitted (20.4.2015 for specified purposes, 21.12.2015 for specified purposes, 21.3.2016 in so far as not already in force) by virtue of The Mortgage Credit Directive Order 2015 (S.I. 2015/910), art. 1(5), **Sch. 1 para. 1(7)(a)(i)** (with Pt. 4)

F2560 S. 347(1)(hb) inserted (20.4.2015 for specified purposes, 21.12.2015 for specified purposes, 21.3.2016 in so far as not already in force) by The Mortgage Credit Directive Order 2015 (S.I. 2015/910), art. 1(5), **Sch. 1 para. 1(7)(a)(ii)** (with Pt. 4)

F2561 S. 347(1)(hc) substituted for word (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 2 para. 44(2)** (with reg. 7)

F2562 S. 347(2)(ba) inserted (6.6.2013) by The Collective Investment in Transferable Securities (Contractual Scheme) Regulations 2013 (S.I. 2013/1388), regs. 1, **3(16)(b)** (with reg. 24)

F2563 Words in s. 347(2)(e) omitted (1.4.2013) by virtue of Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 12 para. 16(4)(a)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2564 Words in s. 347(2)(e) omitted (1.4.2013) by virtue of Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 12 para. 16(4)(b)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2565 Words in s. 347(2)(f) inserted (29.6.2023 for specified purposes) by Financial Services and Markets Act 2023 (c. 29), s. 86(1)(e), **Sch. 10 para. 12(3)(a)**

F2566 Words in s. 347(2)(g)(ii) substituted (7.3.2016) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 3 para. 11**; S.I. 2015/490, art. 2(1)(b) (with savings and transitional provisions in S.I. 2015/492 (as amended by S.I. 2015/1660))

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F2567 Words in s. 347(2)(g)(iii) substituted (7.3.2016) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 3 para. 11**; S.I. 2015/490, art. 2(1)(b) (with savings and transitional provisions in S.I. 2015/492 (as amended by S.I. 2015/1660))

F2568 S. 347(2)(g)(iv) inserted (7.3.2016) by Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 34(2)(a)**, 148(5); S.I. 2015/490, art. 2(1)(c) (with savings and transitional provisions in S.I. 2015/492 (as amended by S.I. 2015/1660))

F2569 Words in s. 347(2)(g)(iv) omitted (13.9.2018 for specified purposes, 10.12.2018 for specified purposes, 18.7.2019 for specified purposes, 9.8.2019 for specified purposes, 9.12.2019 for specified purposes, 7.12.2020 in so far as not already in force) by virtue of Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 4 para. 19(2)(a)**; S.I. 2018/990, reg. 2(1)(2)(3) (with regs. 3-6); S.I. 2019/1136, reg. 2(2)(3)(4)(5) (with reg. 3)

F2570 S. 347(2)(h) inserted (7.3.2016) by Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 34(2)(b)**, 148(5); S.I. 2015/490, art. 2(1)(c) (with savings and transitional provisions in S.I. 2015/492 (as amended by S.I. 2015/1660))

F2571 Word in s. 347(2)(h) substituted (13.9.2018 for specified purposes, 10.12.2018 for specified purposes, 18.7.2019 for specified purposes, 9.8.2019 for specified purposes, 9.12.2019 for specified purposes, 7.12.2020 in so far as not already in force) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 4 para. 19(2)(b)**; S.I. 2018/990, reg. 2(1)(2)(3) (with regs. 3-6); S.I. 2019/1136, reg. 2(2)(3)(4)(5) (with reg. 3)

F2572 S. 347(2)(ha) inserted (29.6.2023 for specified purposes) by Financial Services and Markets Act 2023 (c. 29), s. 86(1)(e), **Sch. 10 para. 12(3)(b)**

F2573 S. 347(2)(i)(j) inserted (20.4.2015 for specified purposes, 21.12.2015 for specified purposes, 21.3.2016 in so far as not already in force) by The Mortgage Credit Directive Order 2015 (S.I. 2015/910), art. 1(5), **Sch. 1 para. 1(7)(b)** (with Pt. 4)

F2574 S. 347(2A) inserted (1.4.2007 for certain purposes and 1.11.2007 otherwise) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2007 (S.I. 2007/126), regs. 1(2), 3(5), **Sch. 5 para. 12(c)**

F2575 Words in s. 347(2A)(a) inserted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 2 para. 44(3)(a)** (with reg. 7)

F2576 Word in s. 347(2A)(a) inserted (31.12.2020) by The Public Record, Disclosure of Information and Co-operation (Financial Services) (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/681), regs. 1(3), **2(2)(a)(i)**; 2020 c. 1, Sch. 5 para. 1(1)

F2577 Word in s. 347(2A)(b)(ii) omitted (31.12.2020) by virtue of The Public Record, Disclosure of Information and Co-operation (Financial Services) (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/681), regs. 1(3), **2(2)(a)(ii)**; 2020 c. 1, Sch. 5 para. 1(1)

F2578 S. 347(2A)(c) omitted (31.12.2020) by virtue of The Public Record, Disclosure of Information and Co-operation (Financial Services) (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/681), regs. 1(3), **2(2)(a)(iii)**; 2020 c. 1, Sch. 5 para. 1(1)

F2579 S. 347(2B) inserted (20.4.2015 for specified purposes, 21.12.2015 for specified purposes, 21.3.2016 in so far as not already in force) by The Mortgage Credit Directive Order 2015 (S.I. 2015/910), art. 1(5), **Sch. 1 para. 1(7)(c)** (with Pt. 4)

F2580 S. 347(2C) inserted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 2 para. 44(4)** (with reg. 7)

F2581 S. 347(3A)(3B) inserted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 2 para. 44(5)** (with reg. 7)

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F2582 Words in s. 347(3A) substituted (31.12.2020) by The Public Record, Disclosure of Information and Co-operation (Financial Services) (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/681), regs. 1(3), **2(2)(b)**; 2020 c. 1, Sch. 5 para. 1(1)

F2583 Words in s. 347(4)(b) inserted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 2 para. 44(6)** (with reg. 7)

F2584 S. 347(4A) inserted (20.4.2015 for specified purposes, 21.12.2015 for specified purposes, 21.3.2016 in so far as not already in force) by The Mortgage Credit Directive Order 2015 (S.I. 2015/910), art. 1(5), **Sch. 1 para. 1(7)(d)** (with Pt. 4)

F2585 Words in s. 347(7) inserted (6.6.2013) by The Collective Investment in Transferable Securities (Contractual Scheme) Regulations 2013 (S.I. 2013/1388), regs. 1, **3(16)(c)** (with reg. 24)

F2586 Words in s. 347(8) inserted (29.6.2023 for specified purposes) by Financial Services and Markets Act 2023 (c. 29), s. 86(1)(e), **Sch. 10 para. 12(4)**

F2587 Words in s. 347(8) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 12 para. 16(5)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2588 S. 347(8ZA) inserted (29.6.2023 for specified purposes) by Financial Services and Markets Act 2023 (c. 29), s. 86(1)(e), **Sch. 10 para. 12(5)**

F2589 S. 347(8A) inserted (7.3.2016) by Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 34(3)**, 148(5); S.I. 2015/490, art. 2(1)(c) (with savings and transitional provisions in S.I. 2015/492 (as amended by S.I. 2015/1660))

F2590 Words in s. 347(8A) omitted (31.12.2020) by virtue of The Public Record, Disclosure of Information and Co-operation (Financial Services) (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/681), regs. 1(3), **2(2)(c)**; 2020 c. 1, Sch. 5 para. 1(1)

F2591 Words in s. 347(8A) omitted (13.9.2018 for specified purposes, 10.12.2018 for specified purposes, 18.7.2019 for specified purposes, 9.8.2019 for specified purposes, 9.12.2019 for specified purposes, 7.12.2020 in so far as not already in force) by virtue of Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 4 para. 19(3)(a)**; S.I. 2018/990, reg. 2(1)(2)(3) (with regs. 3-6); S.I. 2019/1136, reg. 2(2)(3)(4)(5) (with reg. 3)

F2592 Word in s. 347(8A) substituted (13.9.2018 for specified purposes, 10.12.2018 for specified purposes, 18.7.2019 for specified purposes, 9.8.2019 for specified purposes, 9.12.2019 for specified purposes, 7.12.2020 in so far as not already in force) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 4 para. 19(3)(b)**; S.I. 2018/990, reg. 2(1)(2)(3) (with regs. 3-6); S.I. 2019/1136, reg. 2(2)(3)(4)(5) (with reg. 3)

F2593 Words in s. 347(8A) substituted (29.6.2023 for specified purposes) by Financial Services and Markets Act 2023 (c. 29), s. 86(1)(e), **Sch. 10 para. 12(6)(a)**

F2594 Words in s. 347(8A) substituted (13.9.2018 for specified purposes, 10.12.2018 for specified purposes, 18.7.2019 for specified purposes, 9.8.2019 for specified purposes, 9.12.2019 for specified purposes, 7.12.2020 in so far as not already in force) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 4 para. 19(3)(c)**; S.I. 2018/990, reg. 2(1)(2)(3) (with regs. 3-6); S.I. 2019/1136, reg. 2(2)(3)(4)(5) (with reg. 3)

F2595 Words in s. 347(8A) inserted (29.6.2023 for specified purposes) by Financial Services and Markets Act 2023 (c. 29), s. 86(1)(e), **Sch. 10 para. 12(6)(b)**

F2596 S. 347(9) substituted (7.3.2016) by Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 34(4)**, 148(5); S.I. 2015/490, art. 2(1)(c) (with savings and transitional provisions in S.I. 2015/492 (as amended by S.I. 2015/1660))

F2597 Words in s. 347(9) inserted (29.6.2023 for specified purposes) by Financial Services and Markets Act 2023 (c. 29), s. 86(1)(e), **Sch. 10 para. 12(7)**

F2598 S. 347(10) inserted (29.6.2023 for specified purposes) by Financial Services and Markets Act 2023 (c. 29), s. 86(1)(e), **Sch. 10 para. 12(8)**

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Modifications etc. (not altering text)

C1094 S. 347 excluded by S.I. 2013/1881, art. 56(2E) (as inserted (17.3.2016 for specified purposes, 20.3.2016 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2016 (S.I. 2016/392), arts. 1(2)(3)(b), **7(2)** (with Pt. 5))

C1095 S. 347(1)(a) disapplied (temp. from 31.10.2004 until 30.4.2005) by The Financial Services and Markets Act 2000 (Transitional Provisions) (Mortgages) Order 2004 (S.I. 2004/2615), arts. 1(2)(b), 5, **Sch. para. 9**

C1096 S. 347(1)(a) disapplied (temp. from 14.1.2005 until 14.7.2005) by The Financial Services and Markets Act 2000 (Transitional Provisions) (General Insurance Intermediaries) Order 2004, (S.I. 2004/3351), arts. 1(2)(b), 5, {Sch. para. 8}

C1097 S. 347(1)(a) disapplied (6.4.2007) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2006 (S.I. 2006/1969), arts. 1(3), 7, **Sch. para. 9**

C1098 S. 347(1)(h) disapplied (temp. from 31.10.2004 until 30.4.2005) by The Financial Services and Markets Act 2000 (Transitional Provisions) (Mortgages) Order 2004 (S.I. 2004/2615), arts. 1(2)(b), 5, **Sch. para. 10**

C1099 S. 347(1)(h) disapplied (temp. from 14.1.2005 until 14.7.2005) by The Financial Services and Markets Act 2000 (Transitional Provisions) (General Insurance Intermediaries) Order 2004, (S.I. 2004/3351), arts. 1(2)(b), 5, {Sch. para. 9}

C1100 S. 347(1)(h) disapplied (6.4.2007) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2006 (S.I. 2006/1969), arts. 1(3), 7, **Sch. para. 10**

Commencement Information

I75 S. 347 partly in force; s. 347 not in force at Royal Assent see s. 431(2); s. 347(3)-(9) in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**; s. 347(1)(2) in force for specified purposes at 1.12.2001, 1.5.2002, 1.8.2002, 1.12.2002 by S.I. 2001/3528, **art. 2(1)(3)**

[F2599 347A Duty of PRA to disclose information relevant to the record

(1) The PRA must, for the purpose of assisting the FCA to comply with its duty under section 347—

(a) notify the FCA if the information included in the record as required under section 347(2)(a) appears to the PRA to be incomplete or inaccurate,

(b) if it makes a prohibition order relating to an individual, provide the FCA with information falling within section 347(2)(f) in relation to that order,

(c) where it is the appropriate regulator in relation to an approved person, provide the FCA with information falling within section 347(2)(g) in relation to that approved person, and

(d) where the FCA has notified the PRA that it considers it appropriate to include in the record information of a certain description, disclose to the FCA such information of that description as the PRA has in its possession.

(2) The duty to provide information under this section does not apply to information which the PRA reasonably believes is in the possession of the FCA.

(3) Subsection (1) does not require or authorise the disclosure of information whose disclosure is prohibited by or under section 348.

(4) This section is without prejudice to any other power to disclose information.

(5) In this section references to the "record" are to the record maintained under section 347.]

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Textual Amendments

F2599 S. 347A inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 12 para. 17** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

Disclosure of information

348 Restrictions on disclosure of confidential information by [F2600 FCA, PRA] etc.

(1) Confidential information must not be disclosed by a primary recipient, or by any person obtaining the information directly or indirectly from a primary recipient, without the consent of—

(a) the person from whom the primary recipient obtained the information; and

(b) if different, the person to whom it relates.

(2) In this Part "confidential information" means information which—

(a) relates to the business or other affairs of any person;

(b) was received by the primary recipient for the purposes of, or in the discharge of, any functions of the [F2601 FCA, the PRA] F2602 ... or the Secretary of State under any provision made by or under this Act; and

(c) is not prevented from being confidential information by subsection (4).

[F2603 (2A) Where the primary recipient is a person appointed under section 377G to act as the manager of a write-down order, subsection (2)(b) has effect as if the reference to the discharge of functions of the FCA, PRA or Secretary of State were to the functions of that person.]

(3) It is immaterial for the purposes of subsection (2) whether or not the information was received—

(a) by virtue of a requirement to provide it imposed by or under this Act;

(b) for other purposes as well as purposes mentioned in that subsection.

(4) Information is not confidential information if—

(a) it has been made available to the public by virtue of being disclosed in any circumstances in which, or for any purposes for which, disclosure is not precluded by this section; or

(b) it is in the form of a summary or collection of information so framed that it is not possible to ascertain from it information relating to any particular person.

(5) Each of the following is a primary recipient for the purposes of this Part—

[F2604 (a) the FCA;

(aa) the [F2605 Bank of England];]

F2606 (b) . . . . . .

(c) the Secretary of State;

[F2607 (zd) a person appointed to act as a temporary manager by the FCA or the PRA under section 71C;]

(d) a person appointed [F2608 to collect or update information under section [F2609 166A] or] to make a report under section 166;

[F2610 (da) a person appointed under section 377G to act as the manager of a write-down order;]

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(e) any person who is or has been employed by a person mentioned in paragraphs (a) to (c);

[[F2611](ea) a person who is or has been engaged to provide services to a person mentioned in those paragraphs;**]**

(f) any auditor or expert instructed by a person mentioned in those paragraphs.

(6) In subsection (5)(f) "expert" includes—

(a) a competent person appointed by **[**[F2612]the FCA**]** under section 97;

(b) a competent person appointed by the **[**[F2613]FCA, the PRA**]** or the Secretary of State to conduct an investigation under Part XI;

[F2614](c) . . . . . .

[[F2615](7) Nothing in this section applies to information received by a primary recipient for the purposes of, or in the discharge of, any functions of the FCA under the Competition Act 1998 or the Enterprise Act 2002 by virtue of Part 16A of this Act.

(For provision about the disclosure of such information, see Part 9 of the Enterprise Act 2002.)**]**

[[F2616](8) In this section references to the Bank of England include the Bank acting in its capacity as the PRA.**]**

Textual Amendments

F2600 Words in s. 348 heading substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 12 para. 18(5)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2601 Words in s. 348(2)(b) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 12 para. 18(2)(a)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2602 Words in s. 348(2)(b) omitted (1.4.2013) by virtue of Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 12 para. 18(2)(b)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2603 S. 348(2A) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), s. 86(2)(e), **Sch. 12 para. 9(2)**

F2604 S. 348(5)(a)(aa) substituted for s. 348(5)(a) (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 12 para. 18(3)(a)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2605 Words in s. 348(5)(aa) substituted (1.3.2017) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 45(2)** (with Sch. 3); S.I. 2017/43, reg. 2(g)

F2606 S. 348(5)(b) omitted (1.4.2013) by virtue of Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 12 para. 18(3)(b)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2607 S. 348(5)(zd) inserted (16.12.2016) by The Bank Recovery and Resolution Order 2016 (S.I. 2016/1239), arts. 1(2), **34**

F2608 Words in s. 348(5)(d) inserted (8.6.2010) by Financial Services Act 2010 (c. 28), ss. 24(1), 26(2)(e), **Sch. 2 para. 26**

F2609 Word in s. 348(5)(d) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 12 para. 18(3)(c)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2610 S. 348(5)(da) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), s. 86(2)(e), **Sch. 12 para. 9(3)**

F2611 S. 348(5)(ea) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 12 para. 18(3)(d)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2612 Words in s. 348(6)(a) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 12 para. 18(4)(a)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2613 Words in s. 348(6)(b) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 12 para. 18(4)(b)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

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F2614 S. 348(6)(c) omitted (1.4.2013) by virtue of Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 12 para. 18(4)(c)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2615 S. 348(7) inserted (1.11.2014) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 8 para. 5**; S.I. 2014/2458, art. 2(b)(bb)(ii)

F2616 S. 348(8) inserted (1.3.2017) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 45(3)** (with Sch. 3); S.I. 2017/43, reg. 2(g)

Modifications etc. (not altering text)

C1101 S. 348 extended (1.12.2001) by S.I. 2001/3648, **arts. 1**, 3(2), 4, 5(2), 7(2)
S. 348 modified (17.8.2001 for certain purposes otherwise 1.12.2001) by 1986 c. 53, **s. 53A** (as substituted (17.8.2001 for certain purposes otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 8, 13(1), **Sch. 3 Pt. II para. 152**); S.I. 2001/3538, **art. 2(1)**
S. 348 modified (17.8.2001 for certain purposes otherwise 1.12.2001) by 1992 c. 40, **s. 63A(1)** (as substituted (17.8.2001 for certain purposes otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 8, 13(1), **Sch. 3 Pt. I para. 78**); S.I. 2001/3538, **art. 2(1)**

C1102 S. 348 applied (20.4.2003) by The Insurers (Reorganisation and Winding Up) Regulations 2003 (S.I. 2003/1102), **regs. 16(2)**, **50(3)** (with reg. 3)

C1103 S. 348 modified (20.4.2003) by The Insurers (Reorganisation and Winding Up) Regulations 2003 (S.I. 2003/1102), **reg. 50(4)** (with reg. 3)

C1104 S. 348 applied (18.2.2004) by The Insurers (Reorganisation and Winding Up) Regulations 2004 (S.I. 2004/353), **reg. 16(2)(3)** (with reg. 3)

C1105 S. 348 applied (with modifications) (18.2.2004) by The Insurers (Reorganisation and Winding Up) Regulations 2004 (S.I. 2004/353), **reg. 50(3)-(6)** (with reg. 3)

C1106 S. 348 applied (with modifications) (5.5.2004) by The Credit Institutions (Reorganisation and Winding up) Regulations 2004 (S.I. 2004/1045), **regs. 18**, **38**

C1107 S. 348 excluded (20.5.2006) by The Takeovers Directive (Interim Implementation) Regulations 2006 (S.I. 2006/1183), **reg. 18(1)**

C1108 S. 348 applied (6.3.2008) by The Regulated Covered Bonds Regulations 2008 (S.I. 2008/346), **reg. 43**

C1109 S. 348 applied (with modifications) (2.3.2009) by The Payment Services Regulations 2009 (S.I. 2009/209), regs. 1(2)(a), 95, **Sch. 5 para. 5** (with reg. 3) (as amended (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 155(6)(e)** (with Sch. 2 para. 156))

C1110 S. 348 applied (with modifications) (11.2.2010) by The Cross-Border Payments in Euro Regulations 2010 (S.I. 2010/89), reg. 19, **Sch. para. 4**

C1111 S. 348 applied (with modifications) (9.2.2011 for certain purposes and 30.4.2011 otherwise) by The Electronic Money Regulations 2011 (S.I. 2011/99), regs. 1(2)(a)(xiv)(b), 62, **Sch. 3 para. 6** (with reg. 3) (as amended (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 196(5)(f)**)

C1112 S. 348 applied (with modifications) (15.1.2013) by The Payments in Euro (Credit Transfers and Direct Debits) Regulations 2012 (S.I. 2012/3122), reg. 1, **Sch. para. 4** (as amended (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 248(6)(i)(m)**)

C1113 S. 348 applied (with modifications) (E.W.) (9.7.2013) by The Legal Aid, Sentencing and Punishment of Offenders Act 2012 (Referral Fees) Regulations 2013 (S.I. 2013/1635), regs. 1, **11(1)**

C1114 S. 348 applied (with modifications) (12.12.2014) by The Immigration Act 2014 (Bank Accounts) Regulations 2014 (S.I. 2014/3085), regs. 1, **12**

C1115 S. 348 applied (with modifications) by 2009 c. 1, s. 89L (as inserted (1.1.2015) by The Bank Recovery and Resolution Order 2014 (S.I. 2014/3329), arts. 1(2), **103**) (as amended (16.12.2016) by The Bank Recovery and Resolution Order 2016 (S.I. 2016/1239), arts. 1(2), **25**; and as amended (1.3.2017) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 55** (with Sch. 3); S.I. 2017/43, reg. 2(g))

C1116 S. 348 applied (with modifications) by S.I. 2004/1045, reg. 18(5) (as inserted (10.1.2015) by The Bank Recovery and Resolution (No. 2) Order 2014 (S.I. 2014/3348), art. 1(2), **Sch. 3 para. 10(5)(c)**)

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C1117 S. 348 applied (with modifications) by S.I. 2004/1045, reg. 38(8) (as added (10.1.2015) by The Bank Recovery and Resolution (No. 2) Order 2014 (S.I. 2014/3348), art. 1(2), **Sch. 3 para. 10(5)(c)**)
C1118 S. 348 applied (20.4.2015 for specified purposes, 21.12.2015 for specified purposes, 21.3.2016 in so far as not already in force) by The Mortgage Credit Directive Order 2015 (S.I. 2015/910), arts. 1(5), **18(3)** (with Pt. 4)
C1119 Ss. 348, 349 applied (with modifications) (1.1.2016) by The Small and Medium Sized Business (Credit Information) Regulations 2015 (S.I. 2015/1945), regs. 1(2), **25(1)**
C1120 Ss. 348, 349 applied (with modifications) (1.1.2016) by The Small and Medium Sized Business (Finance Platforms) Regulations 2015 (S.I. 2015/1946), regs. 1(2), **22(1)**
C1121 S. 348 applied (with modifications) (18.9.2016) by The Payment Accounts Regulations 2015 (S.I. 2015/2038), reg. 1(2)(b), **Sch. 7 para. 3**
C1122 S. 348 applied (with modifications) (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 1 para. 20** (with reg. 7)
C1123 S. 348 applied (with modifications) (3.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Data Reporting Services Regulations 2017 (S.I. 2017/699), regs. 1(2)(a)(b), **35**
C1124 S. 348 applied (with modifications) (13.10.2017) by The Payment Services Regulations 2017 (S.I. 2017/752), reg. 1(3)(c), **Sch. 6 para. 8** (with reg. 3)
C1125 Ss. 348, 349 applied (with modifications) (1.1.2018) by The Packaged Retail and Insurance-based Investment Products Regulations 2017 (S.I. 2017/1127), reg. 1, **Sch. 1 para. 4**
C1126 S. 348 applied (with modifications) (27.2.2018) by The Financial Services and Markets Act 2000 (Benchmarks) Regulations 2018 (S.I. 2018/135), regs. 1(2), **21**
C1127 Ss. 348-350 applied (14.11.2018) by The Central Counterparties (Amendment, etc., and Transitional Provision) (EU Exit) Regulations 2018 (S.I. 2018/1184), regs. 1(3), **22**
C1128 S. 348 applied (with modifications) (1.1.2019) by The Securitisation Regulations 2018 (S.I. 2018/1288), reg. 1, **Sch. 1 para. 5** (with Sch. 1 paras. 13, 14)
C1129 Ss. 348-350 applied (12.3.2019) by The Equivalence Determinations for Financial Services and Miscellaneous Provisions (Amendment etc) (EU Exit) Regulations 2019 (S.I. 2019/541), regs. 1(3), **5**
C1130 S. 348 applied (with modifications) (10.6.2019) by The Proxy Advisors (Shareholders Rights) Regulations 2019 (S.I. 2019/926), regs. 1, **20**, 24
C1131 Ss. 348-350 applied (with modifications) (30.9.2020) by The Equivalence Determinations for Financial Services (Amendment etc.) (EU Exit) Regulations 2020 (S.I. 2020/1055), regs. 1(2), **6(1)-(3)**
C1132 S. 348 applied (31.5.2021) by The Civil Liability Act 2018 (Financial Conduct Authority) (Whiplash) Regulations 2021 (S.I. 2021/594), regs. 1, **2(6)(a)**
C1133 S. 348 applied (with modifications) (31.12.2023) by Financial Services and Markets Act 2023 (c. 29), s. 86(3), **Sch. 11 para. 149**; S.I. 2023/1382, reg. 8(b)
C1134 S. 348 applied (with modifications) (5.4.2024) by The Data Reporting Services Regulations 2024 (S.I. 2024/107), regs. 1(2), **21**; S.I. 2023/1382, reg. 4(c)
C1135 Ss. 348-350 applied (with modifications) (28.11.2025) by The Financial Services (Overseas Recognition Regime Designations) Regulations 2025 (S.I. 2025/1147), regs. 1(2), **6**
C1136 S. 348(1) restricted (20.4.2003) by The Insurers (Reorganisation and Winding Up) Regulations 2003 (S.I. 2003/1102), **regs. 16(3)**, **50(5)** (with reg. 3)

349 Exceptions from section 348.

(1) Section 348 does not prevent a disclosure of confidential information which is—

(a) made for the purpose of facilitating the carrying out of a public function; and

(b) permitted by regulations made by the Treasury under this section.

(2) The regulations may, in particular, make provision permitting the disclosure of confidential information or of confidential information of a prescribed kind—

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(a) by prescribed recipients, or recipients of a prescribed description, to any person for the purpose of enabling or assisting the recipient to discharge prescribed public functions;

(b) by prescribed recipients, or recipients of a prescribed description, to prescribed persons, or persons of prescribed descriptions, for the purpose of enabling or assisting those persons to discharge prescribed public functions;

(c) by the **[**F2617FCA or the PRA**]** to the Treasury or the Secretary of State for any purpose;

(d) by any recipient if the disclosure is with a view to or in connection with prescribed proceedings.

(3) The regulations may also include provision—

(a) making any permission to disclose confidential information subject to conditions (which may relate to the obtaining of consents or any other matter);

(b) restricting the uses to which confidential information disclosed under the regulations may be put.

[F2618(3A) Section 348 does not apply to—

(a) the disclosure by **[**F2619the Panel on Takeovers and Mergers**]** of confidential information disclosed to it by the **[**F2620FCA or the PRA**]** in reliance on subsection (1);

(b) the disclosure of such information by a person obtaining it directly or indirectly from **[**F2621the Panel on Takeovers and Mergers**]**.

F2622(3B) . . . . . .**]**

(4) In relation to confidential information, each of the following is a "recipient"—

(a) a primary recipient;

(b) a person obtaining the information directly or indirectly from a primary recipient.

(5) "Public functions" includes—

(a) functions conferred by or in accordance with any provision contained in any enactment or subordinate legislation;

F2623(b) . . . . . .

(c) similar functions **[**F2624to those referred to in paragraph (a)**]** conferred on persons by or under provisions having effect as part of the law of a country or territory outside the United Kingdom;

(d) functions exercisable in relation to prescribed disciplinary proceedings.

(6) "Enactment" includes—

(a) an Act of the Scottish Parliament;

(b) Northern Ireland legislation.

(7) "Subordinate legislation" has the meaning given in the M31Interpretation Act 1978 and also includes an instrument made under an Act of the Scottish Parliament or under Northern Ireland legislation.

(8) F2625. . . . . .

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Textual Amendments

F2617 Words in s. 349(2)(c) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 12 para. 19(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2618 S. 349(3A)(3B) inserted (6.4.2007) by Companies Act 2006 (c. 46), **ss. 964(4)**, 1300(2); S.I. 2007/1093, **art. 2(1)(b)** (with arts. 4, 11)

F2619 Words in s. 349(3A)(a) substituted (31.12.2020) by The Public Record, Disclosure of Information and Co-operation (Financial Services) (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/681), regs. 1(3), **2(3)(a)(i)**; 2020 c. 1, Sch. 5 para. 1(1)

F2620 Words in s. 349(3A)(a) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 12 para. 19(3)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2621 Words in s. 349(3A)(b) substituted (31.12.2020) by The Public Record, Disclosure of Information and Co-operation (Financial Services) (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/681), regs. 1(3), **2(3)(a)(ii)**; 2020 c. 1, Sch. 5 para. 1(1)

F2622 S. 349(3B) omitted (31.12.2020) by virtue of The Public Record, Disclosure of Information and Co-operation (Financial Services) (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/681), regs. 1(3), **2(3)(b)**; 2020 c. 1, Sch. 5 para. 1(1)

F2623 S. 349(5)(b) omitted (31.12.2020) by virtue of The Public Record, Disclosure of Information and Co-operation (Financial Services) (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/681), regs. 1(3), **2(3)(c)**; 2020 c. 1, Sch. 5 para. 1(1)

F2624 Words in s. 349(5)(c) inserted (31.12.2020) by The Public Record, Disclosure of Information and Co-operation (Financial Services) (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/681), regs. 1(3), **2(3)(d)**; 2020 c. 1, Sch. 5 para. 1(1)

F2625 S. 349(8) repealed (6.4.2007) by The Companies Act 2006 (Commencement No. 2, Consequential Amendments, Transitional Provisions and Savings) Order 2007 (S.I. 2007/1093), art. 7, **Sch. 5** (with arts. 4, 11) (as amended by S.I. 2008/2860, **art. 6**)

Modifications etc. (not altering text)

C1119 Ss. 348, 349 applied (with modifications) (1.1.2016) by The Small and Medium Sized Business (Credit Information) Regulations 2015 (S.I. 2015/1945), regs. 1(2), **25(1)**

C1120 Ss. 348, 349 applied (with modifications) (1.1.2016) by The Small and Medium Sized Business (Finance Platforms) Regulations 2015 (S.I. 2015/1946), regs. 1(2), **22(1)**

C1125 Ss. 348, 349 applied (with modifications) (1.1.2018) by The Packaged Retail and Insurance-based Investment Products Regulations 2017 (S.I. 2017/1127), reg. 1, **Sch. 1 para. 4**

C1127 Ss. 348-350 applied (14.11.2018) by The Central Counterparties (Amendment, etc., and Transitional Provision) (EU Exit) Regulations 2018 (S.I. 2018/1184), regs. 1(3), **22**

C1129 Ss. 348-350 applied (12.3.2019) by The Equivalence Determinations for Financial Services and Miscellaneous Provisions (Amendment etc) (EU Exit) Regulations 2019 (S.I. 2019/541), regs. 1(3), **5**

C1131 Ss. 348-350 applied (with modifications) (30.9.2020) by The Equivalence Determinations for Financial Services (Amendment etc.) (EU Exit) Regulations 2020 (S.I. 2020/1055), regs. 1(2), **6(1)-(3)**

C1135 Ss. 348-350 applied (with modifications) (28.11.2025) by The Financial Services (Overseas Recognition Regime Designations) Regulations 2025 (S.I. 2025/1147), regs. 1(2), **6**

C1137 S. 349 extended (1.12.2001) by S.I. 2001/3648, **arts. 1**, 3(2), 4, 5(2), 7(2)
S. 349 modified (17.8.2001 for certain purposes otherwise 1.12.2001) by 1986 c. 53, **s. 53A** as substituted (17.8.2001 for certain purposes otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 8, 13(1), **Sch. 3 Pt. II para. 152**; S.I. 2001/3538, **art. 2(1)**
S. 349 modified (17.8.2001 for certain purposes otherwise 1.12.2001) by 1992 c. 40 (as substituted (17.8.2001 for certain purposes otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 8, 13(1), **Sch. 3 Pt. I para. 78**; S.I. 2001/3538, **art. 2(1)**

C1138 S. 349 applied (20.4.2003) by The Insurers (Reorganisation and Winding Up) Regulations 2003 (S.I. 2003/1102), **regs. 16(2)**, **50(3)** (with reg. 3)

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C1139 S. 349 modified (20.4.2003) by The Insurers (Reorganisation and Winding Up) Regulations 2003 (S.I. 2003/1102), **reg. 50(4)** (with reg. 3)

C1140 S. 349 applied (18.2.2004) by The Insurers (Reorganisation and Winding Up) Regulations 2004 (S.I. 2004/353), **reg. 16(2)(3)** (with reg. 3)

C1141 S. 349 applied (with modifications) (18.2.2004) by The Insurers (Reorganisation and Winding Up) Regulations 2004 (S.I. 2004/353), **reg. 50(3)-(6)** (with reg. 3)

C1142 S. 349 applied (with modifications) (5.5.2004) by The Credit Institutions (Reorganisation and Winding up) Regulations 2004 (S.I. 2004/1045), **regs. 18**, **38**

C1143 S. 349 applied (6.3.2008) by The Regulated Covered Bonds Regulations 2008 (S.I. 2008/346), **reg. 43**

C1144 S. 349 applied (with modifications) (2.3.2009) by The Payment Services Regulations 2009 (S.I. 2009/209), regs. 1(2)(a), 95, **Sch. 5 para. 5** (with reg. 3) (as amended (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 155(6)(e)** (with Sch. 2 para. 156))

C1145 S. 349 applied (with modifications) (11.2.2010) by The Cross-Border Payments in Euro Regulations 2010 (S.I. 2010/89), reg. 19, **Sch. para. 4**

C1146 S. 349 applied (with modifications) (9.2.2011 for certain purposes and 30.4.2011 otherwise) by The Electronic Money Regulations 2011 (S.I. 2011/99), regs. 1(2)(a)(xiv)(b), 62, **Sch. 3 para. 6** (with reg. 3) (as amended (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 196(5)(f)**)

C1147 S. 349 applied (with modifications) (15.1.2013) by The Payments in Euro (Credit Transfers and Direct Debits) Regulations 2012 (S.I. 2012/3122), reg. 1, **Sch. para. 4** (as amended (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 248(6)(i)(m)**)

C1148 S. 349 applied (with modifications) (E.W.) (9.7.2013) by The Legal Aid, Sentencing and Punishment of Offenders Act 2012 (Referral Fees) Regulations 2013 (S.I. 2013/1635), regs. 1, **11(1)**

C1149 S. 349 applied (with modifications) (12.12.2014) by The Immigration Act 2014 (Bank Accounts) Regulations 2014 (S.I. 2014/3085), regs. 1, **12**

C1150 S. 349 applied (with modifications) by 2009 c. 1, s. 89L (as inserted (1.1.2015) by The Bank Recovery and Resolution Order 2014 (S.I. 2014/3329), arts. 1(2), **103**)

C1151 S. 349 applied (with modifications) by S.I. 2004/1045, reg. 18(5) (as inserted (10.1.2015) by The Bank Recovery and Resolution (No. 2) Order 2014 (S.I. 2014/3348), art. 1(2), **Sch. 3 para. 10(5)(c)**)

C1152 S. 349 applied (with modifications) by S.I. 2004/1045, reg. 38(8) (as added (10.1.2015) by The Bank Recovery and Resolution (No. 2) Order 2014 (S.I. 2014/3348), art. 1(2), **Sch. 3 para. 10(5)(c)**)

C1153 S. 349 applied (20.4.2015 for specified purposes, 21.12.2015 for specified purposes, 21.3.2016 in so far as not already in force) by The Mortgage Credit Directive Order 2015 (S.I. 2015/910), arts. 1(5), **18(3)** (with Pt. 4)

C1154 S. 349 applied (with modifications) (18.9.2016) by The Payment Accounts Regulations 2015 (S.I. 2015/2038), reg. 1(2)(b), **Sch. 7 para. 3**

C1155 S. 349 applied (with modifications) (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 1 para. 20** (with reg. 7)

C1156 S. 349 applied (with modifications) (3.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Data Reporting Services Regulations 2017 (S.I. 2017/699), regs. 1(2)(a)(b), **35**

C1157 S. 349 applied (with modifications) (13.10.2017) by The Payment Services Regulations 2017 (S.I. 2017/752), reg. 1(3)(c), **Sch. 6 para. 8** (with reg. 3) (as amended by S.I. 2019/681, regs. 1(3), 9(3)(a))

C1158 S. 349 applied (with modifications) (27.2.2018) by The Financial Services and Markets Act 2000 (Benchmarks) Regulations 2018 (S.I. 2018/135), regs. 1(2), **21**

C1159 S. 349 applied (with modifications) (1.1.2019) by The Securitisation Regulations 2018 (S.I. 2018/1288), reg. 1, **Sch. 1 para. 5** (with Sch. 1 paras. 13, 14)

C1160 S. 349 applied (with modifications) (10.6.2019) by The Proxy Advisors (Shareholders Rights) Regulations 2019 (S.I. 2019/926), regs. 1, **20**, 24

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C1161 S. 349 applied (with modifications) (31.5.2021) by The Civil Liability Act 2018 (Financial Conduct Authority) (Whiplash) Regulations 2021 (S.I. 2021/594), regs. 1, **2(6)(b)**

C1162 S. 349 applied (with modifications) (31.12.2023) by Financial Services and Markets Act 2023 (c. 29), s. 86(3), **Sch. 11 para. 149**; S.I. 2023/1382, reg. 8(b)

C1163 S. 349 applied (with modifications) (5.4.2024) by The Data Reporting Services Regulations 2024 (S.I. 2024/107), regs. 1(2), **21**; S.I. 2023/1382, reg. 4(c)

Commencement Information

I76 S. 349 wholly in force at 18.6.2001; s. 349 not in force at Royal Assent see s. 431(2); s. 349 in force for certain purposes at 25.2.2001 by S.I. 2001/516, art. 2(b), **Sch. Pt. 2**; s. 349 in force in so far as not already in force at 18.6.2001 by S.I. 2001/1820, art. 2, **Sch.**

Marginal Citations

M31 1978 c. 30.

350 Disclosure of information by the Inland Revenue.

[F2626(1) No obligation as to secrecy imposed by statute or otherwise prevents the disclosure of Revenue information to—

(a) the FCA or the PRA, if the disclosure is made for the purpose of assisting or enabling that regulator to discharge its functions under this or any other Act, or

(b) the Secretary of State, if the disclosure is made for the purpose of assisting in the investigation of a matter under section 168 or with a view to the appointment of an investigator under that section.**]**

(2) A disclosure may only be made under subsection (1) by or under the authority of the Commissioners of Inland Revenue.

(3) Section 348 does not apply to Revenue information.

(4) Information obtained as a result of **[**F2627subsection (1)(b)**]** may not be used except—

(a) for the purpose of deciding whether to appoint an investigator under section 168;

(b) in the conduct of an investigation under section 168;

(c) in criminal proceedings brought against a person under this Act or the M32Criminal Justice Act 1993 as a result of an investigation under section 168;

(d) for the purpose of taking action under this Act against a person as a result of an investigation under section 168;

(e) in proceedings before the Tribunal as a result of action taken as mentioned in paragraph (d).

(5) Information obtained as a result of subsection (1) may not be disclosed except—

(a) by or under the authority of the Commissioners of Inland Revenue;

(b) in proceedings mentioned in subsection (4)(c) or (e) or with a view to their institution.

(6) Subsection (5) does not prevent the disclosure of information obtained as a result of subsection (1) to a person to whom it could have been disclosed under subsection (1).

(7) "Revenue information" means information held by a person which it would be an offence under section 182 of the M33Finance Act 1989 for him to disclose.

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Textual Amendments

F2626 S. 350(1) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 12 para. 20(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2627 Words in s. 350(4) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 12 para. 20(3)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

Modifications etc. (not altering text)

C1127 Ss. 348-350 applied (14.11.2018) by The Central Counterparties (Amendment, etc., and Transitional Provision) (EU Exit) Regulations 2018 (S.I. 2018/1184), regs. 1(3), **22**

C1129 Ss. 348-350 applied (12.3.2019) by The Equivalence Determinations for Financial Services and Miscellaneous Provisions (Amendment etc) (EU Exit) Regulations 2019 (S.I. 2019/541), regs. 1(3), **5**

C1131 Ss. 348-350 applied (with modifications) (30.9.2020) by The Equivalence Determinations for Financial Services (Amendment etc.) (EU Exit) Regulations 2020 (S.I. 2020/1055), regs. 1(2), **6(1)-(3)**

C1135 Ss. 348-350 applied (with modifications) (28.11.2025) by The Financial Services (Overseas Recognition Regime Designations) Regulations 2025 (S.I. 2025/1147), regs. 1(2), **6**

C1164 S. 350 modified (17.8.2001 for certain purposes otherwise 1.12.2001) by 1986 c. 53, **s. 53A** (as substituted (17.8.2001 for certain purposes otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 8, 13(1), **Sch. 3 Pt. II para. 152**); S.I. 2001/3538, **art. 2(1)**
S. 350 modified (17.8.2001 for certain purposes otherwise 1.12.2001) by 1992 c. 40, **s. 63A** (as substituted (17.8.2001 for certain purposes otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 8, 13(1), **Sch. 3 Pt. I para. 78**); S.I. 2001/3538, **art. 2(1)**

C1165 S. 350 restricted (7.4.2005) by Commissioners for Revenue and Customs Act 2005 (c. 11), ss. 17(6), 53(1), **Sch. 2 Pt. 2 para. 18** (with s. 22); S.I. 2005/1126, **art. 2(1)**

C1166 S. 350 applied (31.5.2021) by The Civil Liability Act 2018 (Financial Conduct Authority) (Whiplash) Regulations 2021 (S.I. 2021/594), regs. 1, **2(6)(c)**

Commencement Information

I77 S. 350 wholly in force 3.9.2001; s. 350 not in force at Royal Assent see s. 431(2); s. 350(3)(7) in force at 18.6.2001 by S.I. 2001/1820, art. 2, **Sch.**; s. 350 in force in so far as not already in force at 3.9.2001 by S.I. 2001/2632, art. 2(2), **Sch. Pt. 2**

Marginal Citations

M32 1993 c. 36.

M33 1989 c. 26.

F2628 351 Competition information.

. . . . . .

Textual Amendments

F2628 S. 351 omitted (1.4.2013) by virtue of Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 12 para. 21** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

[F2629 351A Disclosure under the UCITS directive

(1) This section applies in relation to a disclosure made by a person who falls within subsection (2) for the purpose of compliance with requirements set out in rules made by **[**F2630 the FCA or the PRA**]** to implement Chapter VIII of the UCITS directive.

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

(2) The following persons fall within this subsection—

(a) the auditor of an authorised unit trust scheme **[**F2631or authorised contractual scheme**]** that is a master UCITS;

(b) the trustee of an authorised unit trust scheme that is a master UCITS;

[F2632(ba) the depositary of an authorised contractual scheme that is a master UCITS;**]**

(c) the auditor of an authorised unit trust scheme **[**F2633or authorised contractual scheme**]** that is a feeder UCITS;

(d) the trustee of an authorised unit trust scheme that is a feeder UCITS; F2634...

[F2635(da) the depositary of an authorised contractual scheme that is a feeder UCITS; or**]**

[F2636(e) a person acting on behalf of a person within any of paragraphs (a) to (da)**]**

(3) A disclosure to which this section applies is not to be taken as a contravention of any duty to which the person making the disclosure is subject.

(4) In this section, "authorised unit trust scheme", **[**F2637"authorised contractual scheme",**]** "master UCITS" and "feeder UCITS" have the meaning given in section 237.**]**

Textual Amendments

F2629 S. 351A inserted (1.7.2011) by The Undertakings for Collective Investment in Transferable Securities Regulations 2011 (S.I. 2011/1613), **reg. 2(28)**

F2630 Words in s. 351A(1) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 12 para. 22** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2631 Words in s. 351A(2)(a) inserted (6.6.2013) by The Collective Investment in Transferable Securities (Contractual Scheme) Regulations 2013 (S.I. 2013/1388), regs. 1, **3(17)(a)(i)** (with reg. 24)

F2632 S. 351A(2)(ba) inserted (6.6.2013) by The Collective Investment in Transferable Securities (Contractual Scheme) Regulations 2013 (S.I. 2013/1388), regs. 1, **3(17)(a)(ii)** (with reg. 24)

F2633 Words in s. 351A(2)(c) inserted (6.6.2013) by The Collective Investment in Transferable Securities (Contractual Scheme) Regulations 2013 (S.I. 2013/1388), regs. 1, **3(17)(a)(i)** (with reg. 24)

F2634 Word in s. 351A(2)(d) omitted (6.6.2013) by virtue of The Collective Investment in Transferable Securities (Contractual Scheme) Regulations 2013 (S.I. 2013/1388), regs. 1, **3(17)(a)(iii)** (with reg. 24)

F2635 S. 351A(2)(da) inserted (6.6.2013) by The Collective Investment in Transferable Securities (Contractual Scheme) Regulations 2013 (S.I. 2013/1388), regs. 1, **3(17)(a)(iii)** (with reg. 24)

F2636 S. 351A(2)(e) substituted (6.6.2013) by The Collective Investment in Transferable Securities (Contractual Scheme) Regulations 2013 (S.I. 2013/1388), regs. 1, **3(17)(a)(iv)** (with reg. 24)

F2637 Words in s. 351A(4) inserted (6.6.2013) by The Collective Investment in Transferable Securities (Contractual Scheme) Regulations 2013 (S.I. 2013/1388), regs. 1, **3(17)(b)** (with reg. 24)

352 Offences.

(1) A person who discloses information in contravention of section 348 or 350(5) is guilty of an offence.

(2) A person guilty of an offence under subsection (1) is liable—

(a) on summary conviction, to imprisonment for a term not exceeding three months or a fine not exceeding the statutory maximum, or both;

(b) on conviction on indictment, to imprisonment for a term not exceeding two years or a fine, or both.

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(3) A person is guilty of an offence if, in contravention of any provision of regulations made under section 349, he uses information which has been disclosed to him in accordance with the regulations.

(4) A person is guilty of an offence if, in contravention of subsection (4) of section 350, he uses information which has been disclosed to him in accordance with that section.

(5) A person guilty of an offence under subsection (3) or (4) is liable on summary conviction to imprisonment for a term not exceeding three months or a fine not exceeding level 5 on the standard scale, or both.

(6) In proceedings for an offence under this section it is a defence for the accused to prove—

(a) that he did not know and had no reason to suspect that the information was confidential information or that it had been disclosed in accordance with section 350;

(b) that he took all reasonable precautions and exercised all due diligence to avoid committing the offence.

Modifications etc. (not altering text)

C1167 S. 352 modified (17.8.2001 for certain purposes otherwise 1.12.2001) by 1986 c. 53, **s. 53A** (as substituted (17.8.2001 for certain purposes otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 8, 13(1), **Sch. 3 Pt. II para. 152**); S.I. 2001/3538, **art. 2(1)**
S. 352 modified (17.8.2001 for certain purposes otherwise 1.12.2001) by 1992 c. 40, **s. 63A** (as substituted (17.8.2001 for certain purposes otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 8, 13(1), **Sch. 3 Pt. I para. 78**; S.I. 2001/3538, **art. 2(1)**
S. 352 extended (1.12.2001) by S.I. 2001/3648, **arts. 1**, 3(2)

C1168 S. 352 applied (20.4.2003) by The Insurers (Reorganisation and Winding Up) Regulations 2003 (S.I. 2003/1102), **regs. 16(2)**, **50(3)** (with reg. 3)

C1169 S. 352 modified (20.4.2003) by The Insurers (Reorganisation and Winding Up) Regulations 2003 (S.I. 2003/1102), **reg. 50(4)** (with reg. 3)

C1170 S. 352 applied (18.2.2004) by The Insurers (Reorganisation and Winding Up) Regulations 2004 (S.I. 2004/353), **reg. 16(2)(3)** (with reg. 3)

C1171 S. 352 applied (with modifications) (18.2.2004) by The Insurers (Reorganisation and Winding Up) Regulations 2004 (S.I. 2004/353), **reg. 50(3)-(6)** (with reg. 3)

C1172 S. 352 applied (with modifications) (5.5.2004) by The Credit Institutions (Reorganisation and Winding up) Regulations 2004 (S.I. 2004/1045), **regs. 18**, **38**

C1173 S. 352 applied (6.3.2008) by The Regulated Covered Bonds Regulations 2008 (S.I. 2008/346), **reg. 43**

C1174 S. 352 applied (2.3.2009) by The Payment Services Regulations 2009 (S.I. 2009/209), regs. 1(2)(a), 95, **Sch. 5 para. 5** (with reg. 3) (as amended (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 155(6)(e)** (with Sch. 2 para. 156))

C1175 S. 352 applied (11.2.2010) by The Cross-Border Payments in Euro Regulations 2010 (S.I. 2010/89), reg. 19, **Sch. para. 4**

C1176 S. 352 applied (9.2.2011 for certain purposes and 30.4.2011 otherwise) by The Electronic Money Regulations 2011 (S.I. 2011/99), regs. 1(2)(a)(xiv)(b), 62, **Sch. 3 para. 6** (with reg. 3)

C1177 S. 352 applied (with modifications) (15.1.2013) by The Payments in Euro (Credit Transfers and Direct Debits) Regulations 2012 (S.I. 2012/3122), reg. 1, **Sch. para. 4** (as amended (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 248(6)(i)(m)**)

C1178 S. 352 applied (with modifications) (E.W.) (9.7.2013) by The Legal Aid, Sentencing and Punishment of Offenders Act 2012 (Referral Fees) Regulations 2013 (S.I. 2013/1635), regs. 1, **11(1)**

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C1179 S. 352 applied (with modifications) (12.12.2014) by The Immigration Act 2014 (Bank Accounts) Regulations 2014 (S.I. 2014/3085), regs. 1, **12**

C1180 S. 352 applied (with modifications) by 2009 c. 1, s. 89L (as inserted (1.1.2015) by The Bank Recovery and Resolution Order 2014 (S.I. 2014/3329), arts. 1(2), **103**)

C1181 S. 352 applied (with modifications) by S.I. 2004/1045, reg. 18(5) (as inserted (10.1.2015) by The Bank Recovery and Resolution (No. 2) Order 2014 (S.I. 2014/3348), art. 1(2), **Sch. 3 para. 10(5)(c)**)

C1182 S. 352 applied (with modifications) by S.I. 2004/1045, reg. 38(8) (as added (10.1.2015) by The Bank Recovery and Resolution (No. 2) Order 2014 (S.I. 2014/3348), art. 1(2), **Sch. 3 para. 10(5)(c)**)

C1183 S. 352 applied (20.4.2015 for specified purposes, 21.12.2015 for specified purposes, 21.3.2016 in so far as not already in force) by The Mortgage Credit Directive Order 2015 (S.I. 2015/910), arts. 1(5), **18(3)** (with Pt. 4)

C1184 S. 352 applied (with modifications) (1.1.2016) by The Small and Medium Sized Business (Credit Information) Regulations 2015 (S.I. 2015/1945), regs. 1(2), **25(1)**

C1185 S. 352 applied (with modifications) (1.1.2016) by The Small and Medium Sized Business (Finance Platforms) Regulations 2015 (S.I. 2015/1946), regs. 1(2), **22(1)**

C1186 S. 352 applied (with modifications) (18.9.2016) by The Payment Accounts Regulations 2015 (S.I. 2015/2038), reg. 1(2)(b), **Sch. 7 para. 3**

C1187 S. 352 applied (with modifications) (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 1 para. 20** (with reg. 7)

C1188 S. 352 applied (with modifications) (3.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Data Reporting Services Regulations 2017 (S.I. 2017/699), regs. 1(2)(a)(b), **35**

C1189 S. 352 applied (with modifications) (13.10.2017) by The Payment Services Regulations 2017 (S.I. 2017/752), reg. 1(3)(c), **Sch. 6 para. 8** (with reg. 3)

C1190 S. 352 applied (with modifications) (1.1.2018) by The Packaged Retail and Insurance-based Investment Products Regulations 2017 (S.I. 2017/1127), reg. 1, **Sch. 1 para. 4**

C1191 S. 352 applied (with modifications) (27.2.2018) by The Financial Services and Markets Act 2000 (Benchmarks) Regulations 2018 (S.I. 2018/135), regs. 1(2), **21**

C1192 S. 352 applied (with modifications) (1.1.2019) by The Securitisation Regulations 2018 (S.I. 2018/1288), reg. 1, **Sch. 1 para. 5** (with Sch. 1 paras. 13, 14)

C1193 S. 352 applied (with modifications) (10.6.2019) by The Proxy Advisors (Shareholders Rights) Regulations 2019 (S.I. 2019/926), regs. 1, **20**, 24

C1194 S. 352 applied (31.5.2021) by The Civil Liability Act 2018 (Financial Conduct Authority) (Whiplash) Regulations 2021 (S.I. 2021/594), regs. 1, **2(6)(d)**

C1195 S. 352 applied (with modifications) (31.12.2023) by Financial Services and Markets Act 2023 (c. 29), s. 86(3), **Sch. 11 para. 149**; S.I. 2023/1382, reg. 8(b)

C1196 S. 352 applied (with modifications) (5.4.2024) by The Data Reporting Services Regulations 2024 (S.I. 2024/107), regs. 1(2), **21**; S.I. 2023/1382, reg. 4(c)

C1197 S. 352 applied (with modifications) (28.11.2025) by The Financial Services (Overseas Recognition Regime Designations) Regulations 2025 (S.I. 2025/1147), regs. 1(2), **6**

Commencement Information

I78 S. 352 wholly in force at 3.9.2001; s. 352 not in force at Royal Assent see s. 431(2); s. 352 in force for specified purposes at 18.6.2001 by S.I. 2001/1820, art. 2, **Sch.**; s. 352 in force in so far as not already in force at 3.9.2001 by S.I. 2001/2632, art. 2(2), **Sch. Pt. 2**

353 Removal of other restrictions on disclosure.

(1) The Treasury may make regulations permitting the disclosure of any information, or of information of a prescribed kind—

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(a) by prescribed persons for the purpose of assisting or enabling them to discharge prescribed functions under this Act or any rules or regulations made under it;

(b) by prescribed persons, or persons of a prescribed description, to the **[**F2638FCA or the PRA**]** for the purpose of assisting or enabling the **[**F2639either of them**]** to discharge prescribed functions.

F2640(c) . . . . . .

(2) Regulations under this section may not make any provision in relation to the disclosure of confidential information by primary recipients or by any person obtaining confidential information directly or indirectly from a primary recipient.

(3) If a person discloses any information as permitted by regulations under this section the disclosure is not to be taken as a contravention of any duty to which he is subject.

Textual Amendments

F2638 Words in s. 353(1)(b) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 12 para. 23(1)(a)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2639 Words in s. 353(1)(b) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 12 para. 23(1)(b)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2640 S. 353(1)(c) omitted (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by virtue of The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No. 2) Order 2013 (S.I. 2013/1881), arts. 1(2)(6), **10(13)**

Modifications etc. (not altering text)

C1198 S. 353 modified (17.8.2001 for certain purposes otherwise 1.12.2001) by 1986 c. 53, **s. 53A** (as substituted (17.8.2001 for certain purposes otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 8, 13(1), **Sch. 3 Pt. II para. 152**); S.I. 2001/3538, **art. 2(1)**
S. 353 modified (17.8.2001 for certain purposes otherwise 1.12.2001) by 1992 c. 40, 63A (as substituted (17.8.2001 for certain purposes otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 8, 13(1), **Sch. 3 Pt. I para. 78**); S.I. 2001/3538, **art. 2(1)**

C1199 S. 353 applied (with modifications) by 2009 c. 1, s. 89L (as inserted (1.1.2015) by The Bank Recovery and Resolution Order 2014 (S.I. 2014/3329), arts. 1(2), **103**)

C1200 S. 353 applied (14.11.2018) by The Central Counterparties (Amendment, etc., and Transitional Provision) (EU Exit) Regulations 2018 (S.I. 2018/1184), regs. 1(3), **22**

C1201 S. 353 applied (12.3.2019) by The Equivalence Determinations for Financial Services and Miscellaneous Provisions (Amendment etc) (EU Exit) Regulations 2019 (S.I. 2019/541), regs. 1(3), **5**

C1202 S. 353 applied (with modifications) (30.9.2020) by The Equivalence Determinations for Financial Services (Amendment etc.) (EU Exit) Regulations 2020 (S.I. 2020/1055), regs. 1(2), **6(1)-(3)**

C1203 S. 353 applied (with modifications) (31.12.2023) by Financial Services and Markets Act 2023 (c. 29), s. 86(3), **Sch. 11 para. 149**; S.I. 2023/1382, reg. 8(b)

[F2641 Information received from Bank of England

Textual Amendments

F2641 S. 353A and cross-heading inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 12 para. 24** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

Status: *This version of this Act contains provisions that are prospective.*
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353A Information received from Bank of England

(1) **[**F2642The FCA**]** must not disclose to any person specially protected information.

(2) "Specially protected information" is information in relation to which the first and second conditions are met.

(3) The first condition is that **[**F2643the FCA received the information from the Bank of England.**]**

(4) The second condition is that the Bank notified the **[**F2644FCA**]** that the Bank held the information for the purpose of its functions with respect to any of the following—

(a) monetary policy;

(b) financial operations intended to support financial institutions for the purposes of maintaining stability;

(c) the provision of private banking services and related services.

(5) The notification referred to in subsection (4) must be—

(a) in writing, and

(b) given before, or at the same time as, the Bank discloses the information.

(6) The prohibition in subsection (1) does not apply—

F2645(a) . . . . . .

(b) where the Bank has consented to disclosure of the information;

(c) to information which has been made available to the public by virtue of being disclosed in any circumstances in which, or for any purposes for which, disclosure is not precluded by this section;

F2646(d) . . . . . .

(7) In this section references to disclosure by or to **[**F2647the FCA**]** or by the Bank include references to disclosure by or to—

(a) persons who are, or are acting as,—

(i) officers of, or members of the staff of, the **[**F2648FCA**]**, or

(ii) officers, employees or agents of the Bank, or

(b) auditors, experts, contractors or investigators appointed by the **[**F2649FCA**]** or the Bank under powers conferred by this Act or otherwise.

(8) References to disclosure by **[**F2650the FCA**]** do not include references to disclosure between persons who fall within any paragraph of subsection (7)(a) or (b) in relation to **[**F2651the FCA**]**.

(9) **[**F2652The FCA**]** must take such steps as are reasonable in the circumstances to prevent the disclosure of specially protected information, in cases not excluded by subsection (6), by those who are or have been—

(a) its officers or members of staff (including persons acting as its officers or members of staff);

(b) auditors, experts, contractors or investigators appointed by the **[**F2653FCA**]** under powers conferred by this Act or otherwise;

(c) persons to whom the **[**F2654FCA**]** has delegated any of its functions.

[F2655(10) In this section references to the Bank of England include the Bank acting in its capacity as the PRA.**]]**

Status: *This version of this Act contains provisions that are prospective.*
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Textual Amendments

F2642 Words in s. 353A(1) substituted (1.3.2017) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 46(2)** (with Sch. 3); S.I. 2017/43, reg. 2(g)

F2643 Words in s. 353A(3) substituted (1.3.2017) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 46(3)** (with Sch. 3); S.I. 2017/43, reg. 2(g)

F2644 Word in s. 353A(4) substituted (1.3.2017) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 46(4)** (with Sch. 3); S.I. 2017/43, reg. 2(g)

F2645 S. 353A(6)(a) omitted (1.3.2017) by virtue of Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 46(5)(a)** (with Sch. 3); S.I. 2017/43, reg. 2(g)

F2646 S. 353A(6)(d) omitted (31.12.2020) by virtue of The Public Record, Disclosure of Information and Co-operation (Financial Services) (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/681), regs. 1(3), **2(4)**; 2020 c. 1, Sch. 5 para. 1(1)

F2647 Words in s. 353A(7) substituted (1.3.2017) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 46(6)(a)** (with Sch. 3); S.I. 2017/43, reg. 2(g)

F2648 Word in s. 353A(7)(a)(i) substituted (1.3.2017) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 46(6)(b)** (with Sch. 3); S.I. 2017/43, reg. 2(g)

F2649 Word in s. 353A(7)(b) substituted (1.3.2017) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 46(6)(b)** (with Sch. 3); S.I. 2017/43, reg. 2(g)

F2650 Words in s. 353A(8) substituted (1.3.2017) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 46(7)(a)** (with Sch. 3); S.I. 2017/43, reg. 2(g)

F2651 Words in s. 353A(8) substituted (1.3.2017) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 46(7)(b)** (with Sch. 3); S.I. 2017/43, reg. 2(g)

F2652 Words in s. 353A(9) substituted (1.3.2017) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 46(8)(a)** (with Sch. 3); S.I. 2017/43, reg. 2(g)

F2653 Word in s. 353A(9)(b) substituted (1.3.2017) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 46(8)(b)** (with Sch. 3); S.I. 2017/43, reg. 2(g)

F2654 Word in s. 353A(9)(c) substituted (1.3.2017) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 46(8)(b)** (with Sch. 3); S.I. 2017/43, reg. 2(g)

F2655 S. 353A(10) inserted (1.3.2017) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 46(9)** (with Sch. 3); S.I. 2017/43, reg. 2(g)

Modifications etc. (not altering text)

C1204 S. 353A applied by 1998 c. 11, s. 7H (as inserted (6.7.2016) by Bank of England and Financial Services Act 2016 (c. 14), **ss. 11**, 41(3) (with Sch. 3); S.I. 2016/627, reg. 2(1)(l))

Co-operation

F2656 354 Authority's duty to co-operate with others.

. . . . . .

Textual Amendments

F2656 Ss. 354A-354C substituted for s. 354 (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 12 para. 25** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

Status: *This version of this Act contains provisions that are prospective.*
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[F2656 354A FCA's duty to co-operate with others

(1) The FCA must take such steps as it considers appropriate to co-operate with other persons (whether in the United Kingdom or elsewhere) who have functions—

(a) similar to those of the FCA, or

(b) in relation to the prevention or detection of financial crime.

(2) The persons referred to in subsection (1) do not include the Bank of England or the PRA (but see sections 3D and 3Q).

F2657 **[** (2A) Subsection (1) does not apply in relation to the Competition and Markets Authority in a case where the FCA has made a reference under section 131 of the Enterprise Act 2002 as a result of section 234I (but see section 234L).**]**

(3) The FCA must take such steps as it considers appropriate to co-operate with—

(a) the Panel on Takeovers and Mergers;

F2658 (b) . . . . . .

(c) any F2659 ... person or body that exercises functions of a public nature, under legislation in any country or territory outside the United Kingdom, that appear to the FCA to be similar to those of the Panel on Takeovers and Mergers.

(4) Co-operation may include the sharing of information which the FCA is not prevented from disclosing.

(5) "Financial crime" has the meaning given in section 1H(3).

Textual Amendments

F2656 Ss. 354A-354C substituted for s. 354 (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 12 para. 25** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2657 S. 354A(2A) inserted (1.4.2015) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 8 para. 6**; S.I. 2014/2458, art. 3(b)(v)

F2658 S. 354A(3)(b) omitted (31.12.2020) by virtue of The Public Record, Disclosure of Information and Co-operation (Financial Services) (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/681), regs. 1(3), **2(5)(i)**; 2020 c. 1, Sch. 5 para. 1(1)

F2659 Word in s. 354A(3)(c) omitted (31.12.2020) by virtue of The Public Record, Disclosure of Information and Co-operation (Financial Services) (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/681), regs. 1(3), **2(5)(ii)**; 2020 c. 1, Sch. 5 para. 1(1)

354B PRA's duty to co-operate with others

(1) The PRA must take such steps as it considers appropriate to co-operate with—

(a) other persons (whether in the United Kingdom or elsewhere) who have functions similar to those of the PRA, and

(b) other bodies that have functions relevant to financial stability.

(2) The persons referred to in subsection (1) do not include the **[**F2660 FCA (but see section 3D)**]**.

(3) Co-operation may include the sharing of information which the PRA is not prevented from disclosing.**]**

Status: *This version of this Act contains provisions that are prospective.*
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Textual Amendments

F2656 Ss. 354A-354C substituted for s. 354 (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 12 para. 25** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2660 Words in s. 354B(2) substituted (1.3.2017) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 47** (with Sch. 3); S.I. 2017/43, reg. 2(g)

F2661 354C PRA's duty to provide information to Bank of England

. . . . . .

Textual Amendments

F2661 S. 354C omitted (1.3.2017) by virtue of Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 48** (with Sch. 3); S.I. 2017/43, reg. 2(g)

Provision of information to ESMA, the Commission and other EEA States

F2662 354D Information under the markets in financial instruments directive

. . . . . .

Textual Amendments

F2662 Ss. 354D-354H omitted (31.12.2020) by virtue of The Public Record, Disclosure of Information and Co-operation (Financial Services) (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/681), regs. 1(3), **2(6)**; 2020 c. 1, Sch. 5 para. 1(1)

F2662 354E Competent authorities under the markets in financial instruments directive: designation and co-operation

. . . . . .

Textual Amendments

F2662 Ss. 354D-354H omitted (31.12.2020) by virtue of The Public Record, Disclosure of Information and Co-operation (Financial Services) (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/681), regs. 1(3), **2(6)**; 2020 c. 1, Sch. 5 para. 1(1)

F2662 354F Information under the transparency obligations directive

. . . . . .

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Textual Amendments

F2662 Ss. 354D-354H omitted (31.12.2020) by virtue of The Public Record, Disclosure of Information and Co-operation (Financial Services) (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/681), regs. 1(3), **2(6)**; 2020 c. 1, Sch. 5 para. 1(1)

F2662 354G Information under the UCITS directive

. . . . . .

Textual Amendments

F2662 Ss. 354D-354H omitted (31.12.2020) by virtue of The Public Record, Disclosure of Information and Co-operation (Financial Services) (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/681), regs. 1(3), **2(6)**; 2020 c. 1, Sch. 5 para. 1(1)

F2662 354H Information under the Insurance Distribution Directive

. . . . . .

Textual Amendments

F2662 Ss. 354D-354H omitted (31.12.2020) by virtue of The Public Record, Disclosure of Information and Co-operation (Financial Services) (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/681), regs. 1(3), **2(6)**; 2020 c. 1, Sch. 5 para. 1(1)

PART XXIV

INSOLVENCY

Modifications etc. (not altering text)

C1205 Pt. 24 applied (with modifications) (8.12.2017) by The Risk Transformation Regulations 2017 (S.I. 2017/1212), regs. 1(2), 166(2), 167(2), Sch. 2, **Sch. 3** (with regs. 168, 189)

C1206 Pt. 24 applied in part (with modifications) (8.7.2021) by S.I. 2017/752, **Sch. 6 para. 9** (as substituted by The Payment and Electronic Money Institution Insolvency Regulations 2021 (S.I. 2021/716), regs. 2, **48(1)**)

C1207 Pt. 24 applied in part (with modifications) (8.7.2021) by S.I. 2011/99, **Sch. 3 para. 7** (as substituted by The Payment and Electronic Money Institution Insolvency Regulations 2021 (S.I. 2021/716), regs. 2, **48(2)**)

Interpretation

355 Interpretation of this Part.

(1) In this Part—

F2663 …

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"the 1986 Act" means the [M34]Insolvency Act 1986;

"the 1989 Order" means the [M35]Insolvency (Northern Ireland) Order 1989;

[[F2664]"the 2016 Act" means the Bankruptcy (Scotland) Act 2016;**]**

"body" means a body of persons—

(a) over which the court has jurisdiction under any provision of, or made under, the 1986 Act (or the 1989 Order); but

(b) which is not a building society, a friendly society or **[**[F2665]a registered society**]**; and

"court" means—

(a) the court having jurisdiction for the purposes of the 1985 Act or the 1986 Act; or

(b) in Northern Ireland, the High Court.

[[F2666]"creditors' decision procedure" has the meaning given by section 379ZA(11) of the 1986 Act;**]**

[[F2667]"PRA-regulated person" means a person who—

(a) is or has been a PRA-authorised person,

(b) is or has been an appointed representative whose principal (or one of whose principals) is, or was, a PRA-authorised person, or

(c) is carrying on or has carried on a PRA-regulated activity in contravention of the general prohibition.**]**

[[F2668]"qualifying decision procedure" has the meaning given by section 246ZE(11) of the 1986 Act.**]**

(2) In this Part "insurer" has such meaning as may be specified in an order made by the Treasury.

Textual Amendments

F2663 Words in s. 355(1) omitted (30.11.2016) by The Bankruptcy (Scotland) Act 2016 (Consequential Provisions and Modifications) Order 2016 (S.I. 2016/1034, art. 1, **Sch. 1 para. 20(4)(a)**

F2664 Words in s. 355(1) inserted (30.11.2016) by The Bankruptcy (Scotland) Act 2016 (Consequential Provisions and Modifications) Order 2016 (S.I. 2016/1034, art. 1, **Sch. 1 para. 20(4)(b)**

F2665 Words in s. 355(1) substituted (1.8.2014) by Co-operative and Community Benefit Societies Act 2014 (c. 14), s. 154, **Sch. 4 para. 70** (with Sch. 5)

F2666 Words in s. 355(1) inserted (13.3.2018) by The Small Business, Enterprise and Employment Act 2015 (Consequential Amendments, Savings and Transitional Provisions) Regulations 2018 (S.I. 2018/208), regs. 1(3), **4(2)(a)** (with reg. 17)

F2667 Words in s. 355(1) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 2** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2668 Words in s. 355(1) inserted (13.3.2018) by The Small Business, Enterprise and Employment Act 2015 (Consequential Amendments, Savings and Transitional Provisions) Regulations 2018 (S.I. 2018/208), regs. 1(3), **4(2)(b)** (with reg. 17)

Modifications etc. (not altering text)

C1208 S. 355 modified (21.2.2009) by The Banking Act 2009 (Parts 2 and 3 Consequential Amendments) Order 2009 (S.I. 2009/317), **art. 5(1)(3)**

Marginal Citations

M34 1986 c. 45.

M35 S.I. 1989/2405 (N.I. 19).

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I[F2669] Arrangements and reconstructions: companies in financial difficulty

Textual Amendments

F2669 Ss. 355A, 355B and cross-heading inserted (26.6.2020) by Corporate Insolvency and Governance Act 2020 (c. 12), s. 49(1), **Sch. 9 para. 20(2)** (with ss. 2(2), 5(2))

355A Powers of FCA and PRA to participate in proceedings

(1) This section applies where Part 26A of the Companies Act 2006 ("the 2006 Act") (arrangements and reconstructions: companies in financial difficulty) applies in relation to a company which—

(a) is, or has been, an authorised person or recognised investment exchange;

(b) is, or has been, any of the following—

(i) an electronic money institution;

(ii) an authorised payment institution;

(iii) a small payment institution;

(iv) a registered account information service provider;

(c) is, or has been, an appointed representative; or

(d) is carrying on, or has carried on, a regulated activity in contravention of the general prohibition.

(2) A relevant applicant must give notice to the appropriate regulator of—

(a) any application which the relevant applicant intends to make under section 901C(1) of the 2006 Act, and

(b) any application which the relevant applicant believes a creditor or member of the company has made, or intends to make, under section 901C(1) of that Act in relation to the company.

(3) A relevant applicant may not make an application under section 901C(1) of the 2006 Act in relation to a company that is a PRA-regulated person without the consent of the PRA.

(4) In this section "relevant applicant", in relation to a company, means—

(a) the company;

(b) if the company is being wound up, the liquidator;

(c) if the company is in administration, the administrator.

(5) The appropriate regulator is entitled to be heard at any hearing of an application made under section 901C or 901F of the 2006 Act in relation to the company.

(6) Any notice or other document required to be sent to a creditor of the company must also be sent to the appropriate regulator.

(7) A person appointed for the purpose by the appropriate regulator is entitled—

(a) to attend any meeting of creditors of the company summoned under section 901C of the 2006 Act;

(b) to make representations as to any matter for decision at such a meeting.

(8) In this section—

"the appropriate regulator" means—

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(a) where the company is a PRA-regulated person, each of the FCA and the PRA, except that the reference in subsection (7) to a person appointed by the appropriate regulator is to be read as a reference to a person appointed by either the FCA or the PRA;

(b) in any other case, the FCA;

"authorised payment institution", "small payment institution" and "registered account information service provider" have the same meaning as in the Payment Services Regulations 2017 (S.I. 2017/752) (see regulation 2 of those Regulations);

"electronic money institution" has the same meaning as in the Electronic Money Regulations 2011 (S.I. 2011/99) (see regulation 2 of those Regulations).

Modifications etc. (not altering text)

C1209 S. 355A applied (with modifications) by S.I. 2014/229, art. 5A (as inserted (E.W.S.) (18.7.2020) by The Co-operative and Community Benefit Societies and Credit Unions (Arrangements, Reconstructions and Administration) (Amendment) and Consequential Amendments Order 2020 (S.I. 2020/744), arts. 1, **9**)

355B Enforcement of requirements imposed by section 355A

(1) For the purpose of enforcing a requirement imposed on a company by section 355A(2) or (3), the appropriate regulator may exercise any of the following powers (so far as it would not otherwise be exercisable)—

(a) the power to publish a statement under section 205 (public censure);

(b) the power to impose a financial penalty under section 206.

(2) Accordingly, sections 205 and 206, and so much of this Act as relates to either of those sections, have effect in relation to a requirement imposed by section 355A(2) or (3) as if—

(a) any reference to an authorised person included (so far as would not otherwise be the case) a reference to a company falling within any of paragraphs (a) to (d) of section 355A(1),

(b) any reference to a relevant requirement included (so far as would not otherwise be the case) a reference to a requirement imposed by section 355A(2) or (3), and

(c) "the appropriate regulator" had the same meaning as in section 355A.

(3) In this section "the appropriate regulator" has the same meaning as in section 355A.**]**

Modifications etc. (not altering text)

C1210 S. 355B applied (with modifications) by S.I. 2014/229, art. 5A (as inserted (E.W.S.) (18.7.2020) by The Co-operative and Community Benefit Societies and Credit Unions (Arrangements, Reconstructions and Administration) (Amendment) and Consequential Amendments Order 2020 (S.I. 2020/744), arts. 1, **9**)

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Voluntary arrangements

356 [F2670Powers of FCA and PRA] to participate in proceedings: company voluntary arrangements.

[F2671(1) Where a voluntary arrangement has effect under Part I of the 1986 Act in respect of a company or insolvent partnership which is an authorised person, [F2672or recognised investment exchange, the appropriate regulator] may apply to the court under section 6 or 7 of that Act.]

[F2673(2) Where a voluntary arrangement has been approved under Part II of the 1989 Order in respect of a company or insolvent partnership which is an authorised person, [F2674or recognised investment exchange, the appropriate regulator] may apply to the court under Article 19 or 20 of that Order.]

(3) If a person other than [F2675a regulator] makes an application to the court in relation to the company or insolvent partnership under [F2676any] of those provisions, [F2677the appropriate regulator] is entitled to be heard at any hearing relating to the application.

[F2678(4) "The appropriate regulator" means—

(a) in the case of a PRA-authorised person—

(i) for the purposes of subsections (1) and (2), the FCA or the PRA, and

(ii) for the purposes of subsection (3), each of the FCA and the PRA;

(b) in any other case, the FCA.

(5) If either regulator makes an application to the court under any of those provisions in relation to a PRA-authorised person, the other regulator is entitled to be heard at any hearing relating to the application.]

Textual Amendments

F2670 Words in s. 356 heading substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 3(5)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2671 S. 356(1) substituted (1.1.2003 subject to transitional provisions in arts. 3-5 of the commencing S.I.) by 2000 c. 39, s. 15(3)(a); S.I. 2002/2711, **art. 2**

F2672 Words in s. 356(1) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 3(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2673 S. 356(2) substituted (1.1.2003 subject to transitional provisions in arts. 3-5 of the commencing S.I.) by 2000 c. 39, s. 15(3)(b); S.I. 2002/2711, **art. 2**

F2674 Words in s. 356(2) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 3(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2675 Words in s. 356(3) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 3(3)(a)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2676 Word in s. 356(3) substituted (1.1.2003 subject to transitional provisions in arts. 3-5 of the commencing S.I.) by 2000 c. 39, s. 15(3)(c); S.I. 2002/2711, **art. 2**

F2677 Words in s. 356(3) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 3(3)(b)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2678 S. 356(4)(5) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 3(4)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

Modifications etc. (not altering text)

C1211 S. 356 applied (with modifications) (6.4.2001) by S.I. 2001/1090, **regs. 1**, 6

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C1212 S. 356 applied (with modifications) (N.I.) (13.9.2004) by Limited Liability Partnerships Regulations (Northern Ireland) 2004 (S.R. 2004/307), **reg. 6**

C1213 S. 356 applied (with modifications) (E.W.S.) (6.4.2014) by The Industrial and Provident Societies and Credit Unions (Arrangements, Reconstructions and Administration) Order 2014 (S.I. 2014/229), arts. 1, **6** (with art. 10)

357 [F2679Powers of FCA and PRA] to participate in proceedings: individual voluntary arrangements.

(1) The [F2680appropriate regulator] is entitled to be heard on an application by an individual who is an authorised person under section 253 of the 1986 Act (or Article 227 of the 1989 Order).

(2) Subsections [F2681(2A)] to (6) apply if such an order is made on the application of such a person.

[F2682(2A) Where under section 257 of the 1986 Act the individual's creditors are asked to decide whether to approve the proposed voluntary arrangement—

(a) notice of the creditors' decision procedure must be given to the appropriate regulator; and

(b) the appropriate regulator or a person appointed by the appropriate regulator is entitled to participate in (but not vote in) the creditors' decision procedure by which the decision is made.

(2B) Notice of the decision made by the creditors' decision procedure is to be given to the appropriate regulator by the nominee or the nominee's replacement under section 256(3) or 256A(4) of the 1986 Act.]

(3) A person appointed for the purpose by the [F2680appropriate regulator] is entitled to attend any meeting of creditors of the debtor summoned under [F2683Article 231 of the 1989 Order].

(4) Notice of the result of a meeting so summoned is to be given to the [F2680appropriate regulator] by the chairman of the meeting.

(5) The [F2680appropriate regulator] may apply to the court—

(a) under section 262 of the 1986 Act (or Article 236 of the 1989 Order); or

(b) under section 263 of the 1986 Act (or Article 237 of the 1989 Order).

(6) If a person other than [F2684a regulator] makes an application to the court under any provision mentioned in subsection (5), [F2685the appropriate regulator] is entitled to be heard at any hearing relating to the application.

[F2686(7) "The appropriate regulator" means—

[F2687(a) in the case of a PRA-authorised person, each of the FCA and the PRA, except that the references in subsections (2A)(b) and (3) to a person appointed by the appropriate regulator are to be read as references to a person appointed by either the FCA or the PRA;]

(b) in any other case, the FCA.

(8) If either regulator makes an application to the court under any of the provisions mentioned in subsection (5) in relation to a PRA-authorised person, the other regulator is entitled to be heard at any hearing relating to the application.]

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Textual Amendments

F2679 Words in s. 357 heading substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 4(5)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2680 Words in s. 357(1)-(5) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 4(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2681 Word in s. 357(2) substituted (13.3.2018) by The Small Business, Enterprise and Employment Act 2015 (Consequential Amendments, Savings and Transitional Provisions) Regulations 2018 (S.I. 2018/208), regs. 1(3), **4(3)(a)** (with reg. 17)

F2682 S. 357(2A)(2B) inserted (13.3.2018) by The Small Business, Enterprise and Employment Act 2015 (Consequential Amendments, Savings and Transitional Provisions) Regulations 2018 (S.I. 2018/208), regs. 1(3), **4(3)(b)** (with reg. 17)

F2683 Words in s. 357(3) substituted (13.3.2018) by The Small Business, Enterprise and Employment Act 2015 (Consequential Amendments, Savings and Transitional Provisions) Regulations 2018 (S.I. 2018/208), regs. 1(3), **4(3)(c)** (with reg. 17)

F2684 Words in s. 357(6) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 4(3)(a)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2685 Words in s. 357(6) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 4(3)(b)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2686 S. 357(7)(8) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 4(4)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2687 S. 357(7)(a) substituted (13.3.2018) by The Small Business, Enterprise and Employment Act 2015 (Consequential Amendments, Savings and Transitional Provisions) Regulations 2018 (S.I. 2018/208), regs. 1(3), **4(3)(d)** (with reg. 17)

358 [F2688Powers of FCA and PRA] to participate in proceedings: trust deeds for creditors in Scotland.

(1) This section applies where a trust deed has been granted by or on behalf of a debtor who is an authorised person **[**F2689or recognised investment exchange**]**.

(2) The trustee must, as soon as practicable after he becomes aware that the debtor is an authorised person **[**F2690or recognised investment exchange**]**, send to the **[**F2691appropriate regulator**]**—

(a) in every case, a copy of the trust deed;

(b) where any other document or information is sent to every creditor known to the trustee in pursuance of **[**F2692section 170 of the 2016**]** Act, a copy of such document or information.

F2693(3) . . . . . .

(4) The **[**F2691appropriate regulator**]** must be given the same notice as the creditors of any meeting of creditors held in relation to the trust deed.

(5) A person appointed for the purpose by **[**F2694the appropriate regulator**]** is entitled to attend and participate in (but not to vote at) any such meeting of creditors as if **[**F2695that regulator**]** were a creditor under the deed.

(6) This section does not affect any right **[**F2696a regulator**]** has as a creditor of a debtor who is an authorised person **[**F2697or recognised investment exchange**]**.

[F2698(6A) "The appropriate regulator" means—

(a) in the case of a PRA-authorised person—

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(i) for the purposes of subsections (2) [F2699]... and (4), each of the FCA and the PRA, and

(ii) for the purposes of subsection (5), the FCA or the PRA;

(b) in any other case, the FCA.**]**

(7) Expressions used in this section and in the **[**[F2700]2016**]** Act have the same meaning in this section as in that Act.

Textual Amendments

F2688 Words in s. 358 heading substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 5(7)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2689 Words in s. 358(1) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 5(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2690 Words in s. 358(2) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 5(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2691 Words in s. 358(2)-(4) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 5(3)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2692 Words in s. 358(2)(b) substituted (30.11.2016) by The Bankruptcy (Scotland) Act 2016 (Consequential Provisions and Modifications) Order 2016 (S.I. 2016/1034), art. 1, **Sch. 1 para. 20(5)(a)**

F2693 S. 358(3) omitted (30.11.2016) by virtue of The Bankruptcy (Scotland) Act 2016 (Consequential Provisions and Modifications) Order 2016 (S.I. 2016/1034), art. 1, **Sch. 1 para. 20(5)(b)**

F2694 Words in s. 358(5) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 5(4)(a)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2695 Words in s. 358(5) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 5(4)(b)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2696 Words in s. 358(6) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 5(5)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2697 Words in s. 358(6) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 5(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2698 S. 358(6A) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 5(6)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2699 Word in s. 358(6A)(a)(i) omitted (30.11.2016) by virtue of The Bankruptcy (Scotland) Act 2016 (Consequential Provisions and Modifications) Order 2016 (S.I. 2016/1034), art. 1, **Sch. 1 para. 20(5)(c)**

F2700 Word in s. 358(7) substituted (30.11.2016) by The Bankruptcy (Scotland) Act 2016 (Consequential Provisions and Modifications) Order 2016 (S.I. 2016/1034), art. 1, **Sch. 1 para. 20(5)(d)**

Administration orders

[[F2701]**359 Administration order**

(1) The **[**[F2702]FCA**]** may make an administration application under Schedule B1 to the 1986 Act **[**[F2703]or Schedule B1 to the 1989 Order**]** in relation to a company or insolvent partnership which—

(a) is or has been an authorised person **[**[F2704]or recognised investment exchange**]**,

(b) is or has been an appointed representative, or

(c) is carrying on or has carried on a regulated activity in contravention of the general prohibition.

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[F2705(1A) The PRA may make an administration application under Schedule B1 to the 1986 Act or Schedule B1 to the 1989 Order in relation to a company or insolvent partnership which is a PRA-regulated person.**]**

(2) Subsection (3) applies in relation to an administration application made (or a petition presented) by **[**F2706a regulator**]** by virtue of this section.

(3) Any of the following shall be treated for the purpose of paragraph 11(a) of Schedule B1 to the 1986 Act **[**F2707or paragraph 12(a) of Schedule B1 to the 1989 Order**]** as unable to pay its debts—

(a) a company or partnership in default on an obligation to pay a sum due and payable under an agreement, F2708. . .

(b) an authorised deposit taker in default on an obligation to pay a sum due and payable in respect of a relevant deposit.**[**F2709, and—

(c) an authorised reclaim fund in default on an obligation to pay a sum payable as a result of a claim made by virtue of section 1(2)(b) or 2(2)(b) of the Dormant Bank and Building Society Accounts Act 2008.**]**

(4) In this section—

"agreement" means an agreement the making or performance of which constitutes or is part of a regulated activity carried on by the company or partnership,

"authorised deposit taker" means a person with a **[**F2710Part 4A**]** permission to accept deposits (but not a person who has a **[**F2710Part 4A**]** permission to accept deposits only for the purpose of carrying on another regulated activity in accordance with that permission),

[F2711"authorised reclaim fund" **[**F2712has the same meaning as in the Dormant Assets Acts 2008 to 2022 (see section 26 of the Dormant Assets Act 2022);**]]**

"company" means a company—

(a) in respect of which an administrator may be appointed under Schedule B1 to the 1986 Act, or

(b) **[**F2713in respect of which an administrator may be appointed under Schedule B1 to the 1989 Order,**]**

"relevant deposit" shall, ignoring any restriction on the meaning of deposit arising from the identity of the person making the deposit, be construed in accordance with—

(a) section 22,

(b) any relevant order under that section, and

(c) Schedule 2.

(5) The definition of "authorised deposit taker" in subsection (4) shall be construed in accordance with—

(a) section 22,

(b) any relevant order under that section, and

(c) Schedule 2.**]**

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Textual Amendments

F2701 S. 359 substituted (15.9.2003) by Enterprise Act 2002 (c. 40), ss. 248(3), 279, **Sch. 17 para. 55** (with s. 249(1)-(3)); S.I. 2003/2093, **art. 2(1)**, Sch. 1 (subject to arts. 1(3)-(5), 3-8 (as amended by S.I. 2003/2332, **art. 2**)

F2702 Word in s. 359(1) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 6(2)(a)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2703 Words in s. 359(1) substituted (N.I.) (27.3.2006) by The Insolvency (Northern Ireland) Order 2005 (S.I. 2005/1455 (N.I. 10)), arts. 1(3), 3(3), **Sch. 2 para. 58(2)**; S.R. 2006/21, **art. 2** (subject to S.R. 2006/22, arts. 2-7)

F2704 Words in s. 359(1)(a) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 6(2)(b)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2705 S. 359(1A) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 6(3)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2706 Words in s. 359(2) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 6(4)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2707 Words in s. 359(3) substituted (N.I.) (27.3.2006) by The Insolvency (Northern Ireland) Order 2005 (S.I. 2005/1455 (N.I. 10)), arts. 1(3), 3(3), **Sch. 2 para. 58(3)**; S.R. 2006/21, **art. 2** (subject to S.R. 2006/22, arts. 2-7)

F2708 Word in s. 359(3)(a) omitted (12.3.2009) by virtue of Dormant Bank and Building Society Accounts Act 2008 (c. 31), ss. 15, 31(1), **Sch. 2 para. 6(2)**; S.I. 2009/490, **art. 2** (with art. 3)

F2709 S. 359(3)(c) and preceding word inserted (12.3.2009) by Dormant Bank and Building Society Accounts Act 2008 (c. 31), ss. 15, 31(1), **Sch. 2 para. 6(2)**; S.I. 2009/490, **art. 2** (with art. 3)

F2710 Words in s. 359(4) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 6(5)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2711 S. 359(4): definition of "authorised reclaim fund" inserted (12.3.2009) by Dormant Bank and Building Society Accounts Act 2008 (c. 31), ss. 15, 31(1), **Sch. 2 para. 6(3)**; S.I. 2009/490, **art. 2** (with art. 3)

F2712 Words in s. 359(4) substituted (6.6.2022) by Dormant Assets Act 2022 (c. 5), s. 34(3), **Sch. 1 para. 2(2)**; S.I. 2022/582, reg. 2

F2713 S. 359(4): in the definition of "company", paragraph (b) substituted (N.I.) (27.3.2006) by The Insolvency (Northern Ireland) Order 2005 (S.I. 2005/1455 (N.I. 10)), arts. 1(3), 3(3), **Sch. 2 para. 58(4)**; S.R. 2006/21, **art. 2** (subject to S.R. 2006/22, arts. 2-7)

Modifications etc. (not altering text)

C1214 S. 359 applied (with modifications) (1.11.2009) by The Payment Services Regulations 2009 (S.I. 2009/209), regs. 1(2)(c), 95, **Sch. 5 para. 6** (with reg. 3) (as amended (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 155(6)(f)** (with Sch. 2 para. 156))

C1215 S. 359 applied (with modifications) (30.4.2011) by The Electronic Money Regulations 2011 (S.I. 2011/99), regs. 1(2)(b), 62, **Sch. 3 para. 7** (with reg. 3) (as amended (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 196(5)(g)**)

C1216 S. 359 applied (with modifications) (E.W.S.) (6.4.2014) by The Industrial and Provident Societies and Credit Unions (Arrangements, Reconstructions and Administration) Order 2014 (S.I. 2014/229), arts. 1, **7** (with art. 10)

C1217 S. 359 applied (with modifications) (13.1.2018) by The Payment Services Regulations 2017 (S.I. 2017/752), reg. 1(6), **Sch. 6 para. 9** (with reg. 3)

C1218 S. 359(1)-(4) applied (with modifications) (N.I.) (13.9.2004) by Limited Liability Partnerships Regulations (Northern Ireland) 2004 (S.R. 2004/307), **reg. 6**

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360 Insurers.

(1) The Treasury may by order provide that such provisions of Part II of the 1986 Act (or Part III of the 1989 Order) as may be specified are to apply in relation to insurers with such modifications as may be specified.

(2) An order under this section—

(a) may provide that such provisions of this Part as may be specified are to apply in relation to the administration of insurers in accordance with the order with such modifications as may be specified; and

(b) requires the consent of the Secretary of State.

(3) "Specified" means specified in the order.

[F2714(4) Subsection (5) applies where, by virtue of an order under this section, a person may be appointed as administrator of an insurer.

(5) While a write-down order under section 377A has effect in relation to an insurer, a person may not be appointed as administrator of the insurer without the consent of the PRA.**]**

Textual Amendments

F2714 S. 360(4)(5) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), s. 86(2)(e), **Sch. 12 para. 1(2)**

Modifications etc. (not altering text)

C1219 S. 360 excluded (10.8.2005) by The Insurers (Reorganisation and Winding Up) (Lloyd's) Regulations 2005 (S.I. 2005/1998), **reg. 2(4)**

[F2716**361 Administrator's duty to report to [**F2715**FCA and PRA]**

(1) This section applies where a company or partnership is—

(a) in administration within the meaning of Schedule B1 to the 1986 Act, or

[F2717(b) in administration within the meaning of Schedule B1 to the 1989 Order.**]**

[F2718(2) If the administrator thinks that the company or partnership is carrying on, or has carried on—

(a) a regulated activity in contravention of the general prohibition, or

(b) a credit-related regulated activity in contravention of section 20,

the administrator must report the matter to the appropriate regulator without delay.**]**

[F2719(2A) "The appropriate regulator" means—

(a) where the regulated activity is a PRA-regulated activity, the FCA and the PRA;

(b) in any other case, the FCA.**]**

[F2720(3) Subsection (2) does not apply where—

(a) the administration arises out of an administration order made on an application made or petition presented by a regulator, and

(b) the regulator's application or petition depended on a contravention by the company or partnership of the general prohibition.**]]**

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Textual Amendments

F2715 Words in s. 361 heading substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 7(5)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2716 S. 361 substituted (15.9.2003) by Enterprise Act 2002 (c. 40), ss. 248(3), 279, **Sch. 17 para. 56** (with s. 249(1)-(3)); S.I. 2003/2093, **art. 2(1)**, Sch. 1 (subject to arts. 1(3)-(5), 3-8 (as amended by S.I. 2003/2332, **art. 2**)

F2717 S. 361(1)(b) substituted (N.I.) (27.3.2006) by The Insolvency (Northern Ireland) Order 2005 (S.I. 2005/1455 (N.I. 10)), arts. 1(3), 3(3), **Sch. 2 para. 59**; S.R. 2006/21, **art. 2** (subject to S.R. 2006/22, arts. 2-7)

F2718 S. 361(2) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 7(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2719 S. 361(2A) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 7(3)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2720 S. 361(3) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 7(4)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

Modifications etc. (not altering text)

C1220 Ss. 361-365 applied (with modifications) (N.I.) (13.9.2004) by Limited Liability Partnerships Regulations (Northern Ireland) 2004 (S.R. 2004/307), **reg. 6**

C1221 S. 361 modified (21.2.2009) by The Banking Act 2009 (Parts 2 and 3 Consequential Amendments) Order 2009 (S.I. 2009/317), **art. 5(1)(4)**

C1222 S. 361 applied (with modifications) (E.W.S.) (6.4.2014) by The Industrial and Provident Societies and Credit Unions (Arrangements, Reconstructions and Administration) Order 2014 (S.I. 2014/229), arts. 1, **8** (with art. 10)

362 [F2721 Powers of FCA and PRA] to participate in proceedings.

(1) This section applies if a person F2722... [F2723 makes an administration application under Schedule B1 to the 1986 Act [F2724 or Schedule B1 to the 1989 Order]] in relation to a company or partnership which—

(a) is, or has been, an authorised person [F2725 or recognised investment exchange];

(b) is, or has been, an appointed representative; or

(c) is carrying on, or has carried on, a regulated activity in contravention of the general prohibition.

[F2726 (1A) This section also applies in relation to—

(a) the appointment under paragraph 14 or 22 of Schedule B1 to the 1986 Act [F2727 or paragraph 15 or 23 of Schedule B1 to the 1989 Order] of an administrator of a company of a kind described in subsection (1)(a) to (c), or

(b) the filing with the court of a copy of notice of intention to appoint an administrator under [F2728 any] of those paragraphs.]

[F2729 (1B) This section also applies in relation to—

(a) the appointment under paragraph 22 of Schedule B1 to the 1986 Act (as applied by order under section 420 of the 1986 Act), or under paragraph 23 of Schedule B1 to the 1989 Order (as applied by order under Article 364 of the 1989 Order), of an administrator of a partnership of a kind described in subsection (1)(a) to (c), or

(b) the filing with the court of a copy of notice of intention to appoint an administrator under either of those paragraphs (as so applied).]

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(2) The **[**F2730appropriate regulator**]** is entitled to be heard—

(a) at the hearing of the **[**F2731administration application **[**F2732or the petition**]]**; and

(b) at any other hearing of the court in relation to the company or partnership under Part II of the 1986 Act (or Part III of the 1989 Order).

(3) Any notice or other document required to be sent to a creditor of the company or partnership must also be sent to the **[**F2730appropriate regulator**]**.

[F2733(4) The **[**F2730appropriate regulator**]** may apply to the court under paragraph 74 of Schedule B1 to the 1986 Act **[**F2734or paragraph 75 of Schedule B1 to the 1989 Order**]**.

(4A) In respect of an application under subsection (4)—

(a) paragraph 74(1)(a) and (b) shall have effect as if for the words "harm the interests of the applicant (whether alone or in common with some or all other members or creditors)" there were substituted the words "harm the interests of some or all members or creditors", and

[F2735(b) paragraph 75(1)(a) and (b) of Schedule B1 to the 1989 Order shall have effect as if for the words "harm the interests of the applicant (whether alone or in common with some or all other members or creditors)" there were substituted the words harm the interests of some or all members or creditors.**]]**

(5) A person appointed for the purpose by the **[**F2730appropriate regulator**]** is entitled—

(a) to attend any meeting of creditors of the company or partnership summoned under any enactment;

(b) to attend any meeting of a committee established under **[**F2736paragraph 57 of Schedule B1 to the 1986 Act**]** (or **[**F2737paragraph 58 of Schedule B1 to the 1989 Order**]**; and

(c) to make representations as to any matter for decision at such a meeting.

[F2738(5A) The appropriate regulator or a person appointed by the appropriate regulator is entitled to participate in (but not vote in) a qualifying decision procedure by which a decision about any matter is sought from the creditors of the company or partnership.**]**

(6) If, during the course of the administration of a company, a compromise or arrangement **[**F2739in relation to which Part 26 of the Companies Act 2006 applies**]** is proposed between the company and its creditors, or any class of them, the **[**F2730appropriate regulator**]** may apply to the court under **[**F2740section 896 or 899 of **[**F2741that Act**]]**.

[F2742(6A) If, during the course of the administration of a company, a compromise or arrangement in relation to which Part 26A of the Companies Act 2006 applies is proposed between the company and its creditors, or any class of them, the appropriate regulator may apply to the court under section 901C or 901F of that Act.**]**

[F2743**[**F2744(7) "The appropriate regulator" means—

(a) where the company or partnership is a PRA-regulated person, each of the FCA and the PRA, except that the references in subsections (5) and (5A) to a person appointed by the appropriate regulator are to be read as references to a person appointed by either the FCA or the PRA;

(b) in any other case, the FCA.**]**

(8) But where the administration application was made by a regulator "the appropriate regulator" does not include that regulator.**]**

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Textual Amendments

F2721 Words in s. 362 heading substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 8(6)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2722 Words in s. 362(1) omitted (1.4.2013) by virtue of Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 8(2)(a)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2723 Words in s. 362(1) substituted (15.9.2003) by Enterprise Act 2002 (c. 40), ss. 248(3), 279, **Sch. 17 para. 57(a)** (with s. 249(1)-(3)); S.I. 2003/2093, **art. 2(1)**, Sch. 1 (subject to arts. 1(3)-(5), 3-8 (as amended by S.I. 2003/2332, **art. 2**)

F2724 Words in s. 362(1) substituted (N.I.) (27.3.2006) by The Insolvency (Northern Ireland) Order 2005 (S.I. 2005/1455 (N.I. 10)), arts. 1(3), 3(3), **Sch. 2 para. 60(2)**; S.R. 2006/21, **art. 2** (subject to S.R. 2006/22, arts. 2-7)

F2725 Words in s. 362(1)(a) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 8(2)(b)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2726 S. 362(1A) inserted (15.9.2003) by Enterprise Act 2002 (c. 40), ss. 248(3), 279, **Sch. 17 para. 57(b)** (with s. 249(1)-(3)); S.I. 2003/2093, **art. 2(1)**, Sch. 1 (subject to arts. 1(3)-(5), 3-8 (as amended by S.I. 2003/2332, **art. 2**)

F2727 Words in s. 362(1A)(a) inserted (N.I.) (27.3.2006) by The Insolvency (Northern Ireland) Order 2005 (S.I. 2005/1455 (N.I. 10)), arts. 1(3), 3(3), **Sch. 2 para. 60(3)(a)**; S.R. 2006/21, **art. 2** (subject to S.R. 2006/22, **arts. 2-7**)

F2728 Word in s. 362(1A)(b) substituted (N.I.) (27.3.2006) by The Insolvency (Northern Ireland) Order 2005 (S.I. 2005/1455 (N.I. 10)), arts. 1(3), 3(3), **Sch. 2 para. 60(3)(b)**; S.R. 2006/21, **art. 2** (subject to S.R. 2006/22, arts. 2-7)

F2729 S. 362(1B) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 8(3)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2730 Words in s. 362(2)-(6) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 8(4)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2731 Words in s. 362(2)(a) substituted (15.9.2003) by Enterprise Act 2002 (c. 40), ss. 248(3), 279, **Sch. 17 para. 57(c)** (with s. 249(1)-(3)); S.I. 2003/2093, **art. 2(1)**, Sch. 1 (subject to arts. 1(3)-(5), 3-8 (as amended by S.I. 2003/2332, **art. 2**)

F2732 Words in s. 362(2)(a) repealed (N.I.) (27.3.2006) by The Insolvency (Northern Ireland) Order 2005 (S.I. 2005/1455 (N.I. 10)), arts. 1(3), 3(3), 31, Sch. 2 para. 60(4), **Sch. 9**; S.R. 2006/21, **art. 2** (subject to S.R. 2006/22, arts. 2-7)

F2733 S. 362(4)(4A) substituted (15.9.2003) for s. 362(4) by Enterprise Act 2002 (c. 40), ss. 248(3), 279, **Sch. 17 para. 57(d)** (with s. 249(1)-(3)); S.I. 2003/2093, **art. 2(1)**, Sch. 1 (subject to arts. 1(3)-(5), 3-8 (as amended by S.I. 2003/2332, **art. 2**)

F2734 Words in s. 362(4) substituted (N.I.) (27.3.2006) by The Insolvency (Northern Ireland) Order 2005 (S.I. 2005/1455 (N.I. 10)), arts. 1(3), 3(3), **Sch. 2 para. 60(5)**; S.R. 2006/21, **art. 2** (subject to S.R. 2006/22, arts. 2-7)

F2735 S. 362(4A)(b) substituted (N.I.) (27.3.2006) by The Insolvency (Northern Ireland) Order 2005 (S.I. 2005/1455 (N.I. 10)), arts. 1(3), 3(3), **Sch. 2 para. 60(6)**; S.R. 2006/21, **art. 2** (subject to S.R. 2006/22, arts. 2-7)

F2736 Words in s. 362(5)(b) substituted (15.9.2003) by Enterprise Act 2002 (c. 40), ss. 248(3), 279, **Sch. 17 para. 57(e)** (with s. 249(1)-(3)); S.I. 2003/2093, **art. 2(1)**, Sch. 1 (subject to arts. 1(3)-(5), 3-8 (as amended by S.I. 2003/2332, **art. 2**)

F2737 Words in s. 362(5)(b) substituted (N.I.) (27.3.2006) by The Insolvency (Northern Ireland) Order 2005 (S.I. 2005/1455 (N.I. 10)), arts. 1(3), 3(3), **Sch. 2 para. 60(7)**; S.R. 2006/21, **art. 2** (subject to S.R. 2006/22, arts. 2-7)

F2738 S. 362(5A) inserted (13.3.2018) by The Small Business, Enterprise and Employment Act 2015 (Consequential Amendments, Savings and Transitional Provisions) Regulations 2018 (S.I. 2018/208), regs. 1(3), **4(4)(a)** (with reg. 17)

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F2739 Words in s. 362(6) inserted (26.6.2020) by Corporate Insolvency and Governance Act 2020 (c. 12), s. 49(1), **Sch. 9 para. 20(3)(a)(i)** (with ss. 2(2), 5(2))
F2740 Words in s. 362(6) substituted (6.4.2008) by The Companies Act 2006 (Consequential Amendments etc) Order 2008 (S.I. 2008/948), arts. 2(2), 3(1), **Sch. 1 para. 211(4)** (with arts. 6, 11, 12)
F2741 Words in s. 362(6) substituted (26.6.2020) by Corporate Insolvency and Governance Act 2020 (c. 12), s. 49(1), **Sch. 9 para. 20(3)(a)(ii)** (with ss. 2(2), 5(2))
F2742 S. 362(6A) inserted (26.6.2020) by Corporate Insolvency and Governance Act 2020 (c. 12), s. 49(1), **Sch. 9 para. 20(3)(b)** (with ss. 2(2), 5(2))
F2743 S. 362(7) substituted (13.3.2018) by The Small Business, Enterprise and Employment Act 2015 (Consequential Amendments, Savings and Transitional Provisions) Regulations 2018 (S.I. 2018/208), regs. 1(3), **4(4)(b)** (with reg. 17)
F2744 S. 362(7)(8) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 8(5)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

Modifications etc. (not altering text)
C1223 S. 362 applied (with modifications) (6.4.2001) by S.I. 2001/1090, **regs. 1**, 6
C1224 Ss. 361-365 applied (with modifications) (N.I.) (13.9.2004) by Limited Liability Partnerships Regulations (Northern Ireland) 2004 (S.R. 2004/307), **reg. 6**
C1225 S. 362 modified (21.2.2009) by The Banking Act 2009 (Parts 2 and 3 Consequential Amendments) Order 2009 (S.I. 2009/317), **art. 5(1)(5)**
C1226 S. 362 applied (with modifications) (E.W.S.) (6.4.2014) by The Industrial and Provident Societies and Credit Unions (Arrangements, Reconstructions and Administration) Order 2014 (S.I. 2014/229), arts. 1, **9** (with art. 10)
C1227 S. 362(6) applied (with modifications) (8.2.2011 with application in accordance with reg. 27(a) of the applying S.I.) by The Investment Bank Special Administration Regulations 2011 (S.I. 2011/245), regs. 1, 27(a), **Sch. 6 para. 3(4)**

[F2745 362A Administrator appointed by company or directors

(1) This section applies in relation to a company [F2746 or partnership] of a kind described in section 362(1)(a) to (c).

[F2747 (2) An administrator of the company or partnership may not be appointed under a provision specified in subsection (2A) without the consent of the appropriate regulator.

(2A) Those provisions are—

(a) paragraph 22 of Schedule B1 to the 1986 Act (including that paragraph as applied in relation to partnerships by order under section 420 of that Act);

(b) paragraph 23 of Schedule B1 to the 1989 Order (including that paragraph as applied in relation to partnerships by order under article 364 of that Order).

(2B) "The appropriate regulator" means—

(a) where the company or partnership is a PRA-regulated person, the PRA, and

(b) in any other case, the FCA.]

(3) Consent under subsection (2)—

(a) must be in writing, and

(b) must be filed with the court along with the notice of intention to appoint under paragraph 27 of [F2748 Schedule B1 to the 1986 Act or paragraph 28 of Schedule B1 to the 1989 Order].

(4) In a case where no notice of intention to appoint is required—

(a) subsection (3)(b) shall not apply, but

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(b) consent under subsection (2) must accompany the notice of appointment filed under paragraph 29 of **[**[F2749]Schedule B1 to the 1986 Act or paragraph 30 of Schedule B1 to the 1989 Order**].]**

Textual Amendments

F2745 S. 362A inserted (15.9.2003) by Enterprise Act 2002 (c. 40), ss. 248(3), 279, **Sch. 17 para. 58** (with s. 249(1)-(3)); S.I. 2003/2093, **art. 2(1)**, Sch. 1 (subject to arts. 1(3)-(5), 3-8 (as amended by S.I. 2003/2332, **art. 2**))

F2746 Words in s. 362A(1) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 9(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2747 S. 362A(2)-(2B) substituted for s. 362A(2) (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 9(3)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2748 Words in s. 362A(3)(b) substituted (N.I.) (27.3.2006) by The Insolvency (Northern Ireland) Order 2005 (S.I. 2005/1455 (N.I. 10)), arts. 1(3), 3(3), **Sch. 2 para. 61(3)**; S.R. 2006/21, **art. 2** (subject to S.R. 2006/22, arts. 2-7)

F2749 Words in s. 362A(4) substituted (N.I.) (27.3.2006) by The Insolvency (Northern Ireland) Order 2005 (S.I. 2005/1455 (N.I. 10)), arts. 1(3), 3(3), **Sch. 2 para. 61(4)**; S.R. 2006/21, **art. 2** (subject to S.R. 2006/22, arts. 2-7)

Modifications etc. (not altering text)

C1228 Ss. 361-365 applied (with modifications) (N.I.) (13.9.2004) by Limited Liability Partnerships Regulations (Northern Ireland) 2004 (S.R. 2004/307), **reg. 6**

C1229 S. 362A applied (with modifications) (E.W.S.) (6.4.2014) by The Industrial and Provident Societies and Credit Unions (Arrangements, Reconstructions and Administration) Order 2014 (S.I. 2014/229), arts. 1, **9** (with art. 10)

Receivership

363 **[**[F2750]**Powers of FCA and PRA] to participate in proceedings.**

(1) This section applies if a receiver has been appointed in relation to a company which—

(a) is, or has been, an authorised person **[**[F2751]or recognised investment exchange**]**;

(b) is, or has been, an appointed representative; or

(c) is carrying on, or has carried on, a regulated activity in contravention of the general prohibition.

(2) The **[**[F2752]appropriate regulator**]** is entitled to be heard on an application made under section 35 or 63 of the 1986 Act (or Article 45 of the 1989 Order).

(3) The **[**[F2752]appropriate regulator**]** is entitled to make an application under section 41(1)(a) or 69(1)(a) of the 1986 Act (or Article 51(1)(a) of the 1989 Order).

(4) A report under section 48(1) or 67(1) of the 1986 Act (or Article 58(1) of the 1989 Order) must be sent by the person making it to the **[**[F2752]appropriate regulator**]**.

(5) A person appointed for the purpose by the **[**[F2752]appropriate regulator**]** is entitled—

(a) to attend any meeting of creditors of the company summoned under any enactment;

(b) to attend any meeting of a committee established under section 49 or 68 of the 1986 Act (or Article 59 of the 1989 Order); and

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(c) to make representations as to any matter for decision at such a meeting.

[[F2753](6) "The appropriate regulator" means—

(a) for the purposes of subsections (2) to (4)—

(i) where the company is a PRA-regulated person, each of the FCA and the PRA, and

(ii) in any other case, the FCA;

(b) for the purposes of subsection (5)—

(i) where the company is a PRA-regulated person, the FCA or the PRA, and

(ii) in any other case, the FCA.**]**

Textual Amendments

F2750 Words in s. 363 heading substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 10(5)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2751 Words in s. 363(1)(a) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 10(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2752 Words in s. 363(2)-(5) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 10(3)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2753 S. 363(6) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 10(4)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

Modifications etc. (not altering text)

C1230 S. 363 applied (with modifications) (6.4.2001) by S.I. 2001/1090, **regs. 1**, 6

C1231 Ss. 361-365 applied (with modifications) (N.I.) (13.9.2004) by Limited Liability Partnerships Regulations (Northern Ireland) 2004 (S.R. 2004/307), **reg. 6**

364 Receiver's duty to report to [F2754FCA and PRA]

If—

(a) a receiver has been appointed in relation to a company, and

(b) it appears to the receiver that the company is carrying on, or has carried on, a regulated activity in contravention of the general prohibition **[**[F2755]or a credit-related regulated activity in contravention of section 20**]**,

the receiver must report the matter **[**[F2756]without delay to the FCA and, if the regulated activity concerned is a PRA-regulated activity, to the PRA**]**.

Textual Amendments

F2754 Words in s. 364 heading substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 11(c)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2755 Words in s. 364(b) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 11(a)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2756 Words in s. 364 substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 11(b)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

Modifications etc. (not altering text)

C1232 S. 364 applied (with modifications) (6.4.2001) by S.I. 2001/1090, **regs. 1**, 6

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C1233 Ss. 361-365 applied (with modifications) (N.I.) (13.9.2004) by Limited Liability Partnerships Regulations (Northern Ireland) 2004 (S.R. 2004/307), **reg. 6**

Voluntary winding up

365 [F2757Powers of FCA and PRA] to participate in proceedings.

(1) This section applies in relation to a company which—

(a) is being wound up voluntarily;

(b) is an authorised person [F2758or recognised investment exchange]; and

(c) is not an insurer effecting or carrying out contracts of long-term insurance.

(2) The [F2759appropriate regulator] may apply to the court under section 112 of the 1986 Act (or Article 98 of the 1989 Order) in respect of the company.

(3) The [F2759appropriate regulator] is entitled to be heard at any hearing of the court in relation to the voluntary winding up of the company.

(4) Any notice or other document required to be sent to a creditor of the company must also be sent to the [F2759appropriate regulator].

(5) A person appointed for the purpose by the [F2759appropriate regulator] is entitled—

(a) to attend any meeting of creditors of the company summoned under any enactment;

(b) to attend any meeting of a committee established under section 101 of the 1986 Act (or Article 87 of the 1989 Order); and

(c) to make representations as to any matter for decision at such a meeting.

[F2760(5A) The appropriate regulator or a person appointed by the appropriate regulator is entitled to participate in (but not vote in) a qualifying decision procedure by which a decision about any matter is sought from the creditors of the company.]

(6) The voluntary winding up of the company does not bar the right of the [F2759appropriate regulator] to have it wound up by the court.

(7) If, during the course of the winding up of the company, a compromise or arrangement [F2761in relation to which Part 26 of the Companies Act 2006 applies] is proposed between the company and its creditors, or any class of them, the [F2759appropriate regulator] may apply to the court under [F2762section 896 or 899 of [F2763that Act]].

[F2764(7A) If, during the course of the winding up of the company, a compromise or arrangement in relation to which Part 26A of the Companies Act 2006 applies is proposed between the company and its creditors, or any class of them, the appropriate regulator may apply to the court under section 901C or 901F of that Act.]

[F2765(8) "The appropriate regulator" means—

(a) where the company is a PRA-authorised person, each of the FCA and the PRA, except that the references in subsections (5) and (5A) to a person appointed by the appropriate regulator are to be read as references to a person appointed by either the FCA or the PRA;

(b) in any other case, the FCA.]

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Textual Amendments

F2757 Words in s. 365 heading substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 12(5)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2758 Words in s. 365(1)(b) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 12(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2759 Words in s. 365(2)-(7) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 12(3)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2760 S. 365(5A) inserted (13.3.2018) by The Small Business, Enterprise and Employment Act 2015 (Consequential Amendments, Savings and Transitional Provisions) Regulations 2018 (S.I. 2018/208), regs. 1(3), **4(5)(a)** (with reg. 17)

F2761 Words in s. 365(7) inserted (26.6.2020) by Corporate Insolvency and Governance Act 2020 (c. 12), s. 49(1), **Sch. 9 para. 20(4)(a)(i)** (with ss. 2(2), 5(2))

F2762 Words in s. 365(7) substituted (6.4.2008) by The Companies Act 2006 (Consequential Amendments etc) Order 2008 (S.I. 2008/948), arts. 2(2), 3(1), **Sch. 1 para. 211(4)** (with arts. 6, 11, 12)

F2763 Words in s. 365(7) substituted (26.6.2020) by Corporate Insolvency and Governance Act 2020 (c. 12), s. 49(1), **Sch. 9 para. 20(4)(a)(ii)** (with ss. 2(2), 5(2))

F2764 S. 365(7A) inserted (26.6.2020) by Corporate Insolvency and Governance Act 2020 (c. 12), s. 49(1), **Sch. 9 para. 20(4)(b)** (with ss. 2(2), 5(2))

F2765 S. 365(8) substituted (13.3.2018) by The Small Business, Enterprise and Employment Act 2015 (Consequential Amendments, Savings and Transitional Provisions) Regulations 2018 (S.I. 2018/208), regs. 1(3), **4(5)(b)** (with reg. 17)

Modifications etc. (not altering text)

C1234 S. 365 applied (with modifications) (6.4.2001) by S.I. 2001/1090, **regs. 1**, 6

C1235 Ss. 361-365 applied (with modifications) (N.I.) (13.9.2004) by Limited Liability Partnerships Regulations (Northern Ireland) 2004 (S.R. 2004/307), **reg. 6**

366 Insurers effecting or carrying out long-term contracts or insurance.

(1) An insurer effecting or carrying out contracts of long-term insurance may not be wound up voluntarily without the consent of the **[**F2766PRA**]**.

(2) If notice of a general meeting of such an insurer is given, specifying the intention to propose a resolution for voluntary winding up of the insurer, a director of the insurer must notify the **[**F2767PRA**]** as soon as practicable after he becomes aware of it.

(3) A person who fails to comply with subsection (2) is guilty of an offence and liable on summary conviction to a fine not exceeding level 5 on the standard scale.

[F2768(4) A winding up resolution may not be passed—

(a) as a written resolution (in accordance with Chapter 2 of Part 13 of the Companies Act 2006), or

(b) at a meeting called in accordance with section 307(4) to (6) or 337(2) of that Act (agreement of members to calling of meeting at short notice).**]**

(5) A copy of a winding-up resolution forwarded to the registrar of companies in accordance with **[**F2769section 30 of the Companies Act 2006**]** must be accompanied by a certificate issued by the **[**F2770PRA**]** stating that it consents to the voluntary winding up of the insurer.

(6) If subsection (5) is complied with, the voluntary winding up is to be treated as having commenced at the time the resolution was passed.

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(7) If subsection (5) is not complied with, the resolution has no effect.

(8) "Winding-up resolution" means a resolution for voluntary winding up of an insurer effecting or carrying out contracts of long-term insurance.

[F2771(9) Before giving or refusing consent under subsection (1), the PRA must consult the FCA.

(10) In the event that the activity of effecting or carrying out long-term contracts of insurance as principal is not to any extent a PRA-regulated activity—

(a) references to the PRA in subsections (1), (2) and (5) are to be read as references to the FCA, and

(b) subsection (9) does not apply.**]**

Textual Amendments

F2766 Word in s. 366(1) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 13(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2767 Word in s. 366(2) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 13(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2768 S. 366(4) substituted (1.10.2007) by The Companies Act 2006 (Commencement No. 3, Consequential Amendments, Transitional Provisions and Savings) Order 2007 (S.I. 2007/2194), art. 10(1), **Sch. 4 para. 93(2)**

F2769 Words in s. 366(5) substituted (1.10.2007) by The Companies Act 2006 (Commencement No. 3, Consequential Amendments, Transitional Provisions and Savings) Order 2007 (S.I. 2007/2194), art. 10(1), **Sch. 4 para. 93(3)**

F2770 Word in s. 366(5) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 13(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2771 S. 366(9)(10) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 13(3)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

Winding up by the court

367 Winding-up petitions.

(1) The **[**F2772FCA**]** may present a petition to the court for the winding up of a body which—

(a) is, or has been, an authorised person **[**F2773or recognised investment exchange**]**;

(b) is, or has been, an appointed representative; or

(c) is carrying on, or has carried on, a regulated activity in contravention of the general prohibition.

[F2774(1A) The PRA may present a petition to the court for the winding up of a body which is a PRA-regulated person.**]**

(2) In **[**F2775subsections (1) and (1A)**]** "body" includes any partnership.

(3) On such a petition, the court may wind up the body if—

F2776(za) . . . . . .

(a) the body is unable to pay its debts within the meaning of section 123 or 221 of the 1986 Act (or Article 103 or 185 of the 1989 Order); or

(b) the court is of the opinion that it is just and equitable that it should be wound up.

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(4) If a body is in default on an obligation to pay a sum due and payable under an agreement, it is to be treated for the purpose of subsection (3)(a) as unable to pay its debts.

(5) "Agreement" means an agreement the making or performance of which constitutes or is part of a regulated activity carried on by the body concerned.

(6) Subsection (7) applies if a petition is presented under subsection (1) **[**[F2777]or (1A)**]** for the winding up of a partnership—

(a) on the ground mentioned in subsection (3)(b); or

(b) in Scotland, on a ground mentioned in subsection (3)(a) or (b).

(7) The court has jurisdiction, and the 1986 Act (or the 1989 Order) has effect, as if the partnership were an unregistered company as defined by section 220 of that Act (or Article 184 of that Order).

Textual Amendments

F2772 Word in s. 367(1) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 14(2)(a)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2773 Words in s. 367(1)(a) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 14(2)(b)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2774 S. 367(1A) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 14(3)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2775 Words in s. 367(2) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 14(4)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2776 S. 367(3)(za) repealed (14.5.2025) by Financial Services and Markets Act 2023 (c. 29), s. 86(3), **Sch. 1 Pt. 4** (with ss. 1(4), 7(4)); S.I. 2025/572, reg. 2(c)(iii)

F2777 Words in s. 367(6) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 14(5)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

Modifications etc. (not altering text)

C1236 S. 367 applied (with modifications) (6.4.2001) by S.I. 2001/1090, **regs. 1**, 6
S. 367 amended (1.12.2001) by S.I. 2001/2657, **arts. 1(1)**, 12 (which was revoked (8.10.2001) by S.I. 2001/3083, **arts. 1(2)**, 23); S.I. 2001/3538, **art. 2(1)**
S. 367 amended (1.12.2001) by S.I. 2001/3083, **arts. 1(2)**, 12; S.I. 2001/3538, **art. 2(1)**

C1237 S. 367 applied (with modifications) (N.I.) (13.9.2004) by Limited Liability Partnerships Regulations (Northern Ireland) 2004 (S.R. 2004/307), **reg. 6**

C1238 S. 367 applied (with modifications) (1.11.2009) by The Payment Services Regulations 2009 (S.I. 2009/209), regs. 1(2)(c), 95, **Sch. 5 para. 6** (with reg. 3) (as amended (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), Sch. 2 para 155(6)(f) (with Sch. 2 para. 156))

C1239 S. 367 applied (with modifications) (30.4.2011) by The Electronic Money Regulations 2011 (S.I. 2011/99), regs. 1(2)(b), 62, **Sch. 3 para. 7** (with reg. 3) (as amended (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 196(5)(g)**)

C1240 S. 367 applied (with modifications) (13.1.2018) by The Payment Services Regulations 2017 (S.I. 2017/752), reg. 1(6), **Sch. 6 para. 9** (with reg. 3)

C1241 S. 367(3)(a) modified (1.12.2001) by S.I. 2001/3650, **arts. 1(a)**, 15

C1242 S. 367(5) modified (1.12.2001) by S.I. 2001/3650, **arts. 1(a)**, 14

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[F2778]368 Winding-up petitions: EEA and Treaty firms.

. . . . . .

Textual Amendments

F2778 S. 368 omitted (31.12.2020) by virtue of The EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018 (S.I. 2018/1149), reg. 1(3), **Sch. para. 19** (with reg. 4); 2020 c. 1, Sch. 5 para. 1(1)

369 Insurers: service of petition etc. on [F2779FCA and PRA].

(1) If a person other than **[**[F2780]a regulator**]** presents a petition for the winding up of an authorised person with permission to effect or carry out contracts of insurance, the petitioner must serve a copy of the petition **[**[F2781]on the appropriate regulator**]**.

(2) If a person other than **[**[F2782]a regulator**]** applies to have a provisional liquidator appointed under section 135 of the 1986 Act (or Article 115 of the 1989 Order) in respect of an authorised person with permission to effect or carry out contracts of insurance, the applicant must serve a copy of the application **[**[F2783]on the appropriate regulator**]**.

[[F2784](3) "The appropriate regulator" means—

(a) in relation to a PRA-authorised person, the FCA and the PRA, and

(b) in any other case, the FCA.

(4) If either regulator—

(a) presents a petition for the winding up of a PRA-authorised person with permission to effect or carry out contracts of insurance, or

(b) applies to have a provisional liquidator appointed under section 135 of the 1986 Act (or Article 115 of the 1989 Order) in respect of a PRA-authorised person with permission to effect or carry out contracts of insurance,

that regulator must serve a copy of the petition or application (as the case requires) on the other regulator.**]**

Textual Amendments

F2779 Words in s. 369 heading substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 16(5)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2780 Words in s. 369(1) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 16(2)(a)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2781 Words in s. 369(1) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 16(2)(b)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2782 Words in s. 369(2) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 16(3)(a)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2783 Words in s. 369(2) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 16(3)(b)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2784 S. 369(3)(4) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 16(4)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

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[F2785 369A Reclaim funds: service of petition etc on [F2786 FCA and PRA]]

(1) If a person **[**F2787 other than a regulator**]** presents a petition for the winding up of an authorised reclaim fund, the petitioner must serve a copy of the petition **[**F2788 on the appropriate regulator**]**.

(2) If a person **[**F2789 other than a regulator**]** applies to have a provisional liquidator appointed under section 135 of the 1986 Act (or Article 115 of the 1989 Order) in respect of an authorised reclaim fund, the applicant must serve a copy of the application **[**F2790 on the appropriate regulator**]**.

(3) In this section "authorised reclaim fund" **[**F2791 has the same meaning as in the Dormant Assets Acts 2008 to 2022 (see section 26 of the Dormant Assets Act 2022)**]**.

["The appropriate regulator" means—

F2792 (4)
(a) in relation to an authorised reclaim fund that is a PRA-authorised person, the FCA and the PRA, and
(b) in relation to any other authorised reclaim fund, the FCA.

(5) If either regulator—
(a) presents a petition for the winding up of an authorised reclaim fund that is a PRA-authorised person, or
(b) applies to have a provisional liquidator appointed under section 135 of the 1986 Act (or Article 115 of the 1989 Order) in respect of an authorised reclaim fund that is a PRA-authorised person,

that regulator must serve a copy of the petition or application (as the case requires) on the other regulator.**]]**

Textual Amendments

F2785 S. 369A inserted (12.3.2009) by Dormant Bank and Building Society Accounts Act 2008 (c. 31), ss. 15, 31(1), **Sch. 2 para. 7**; S.I. 2009/490, **art. 2** (with art. 3)

F2786 Words in s. 369A heading substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 17(5)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2787 Words in s. 369A(1) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 17(2)(a)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2788 Words in s. 369A(1) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 17(2)(b)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2789 Words in s. 369A(2) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 17(3)(a)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2790 Words in s. 369A(2) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 17(3)(b)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2791 Words in s. 369A(3) substituted (6.6.2022) by Dormant Assets Act 2022 (c. 5), s. 34(3), **Sch. 1 para. 2(3)**; S.I. 2022/582, reg. 2

F2792 S. 369A(4)(5) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 17(4)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

[F2793 370 Liquidator's duty to report to FCA and PRA

(1) If—
(a) a company is being wound up voluntarily or a body is being wound up on a petition presented by any person, and

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(b) it appears to the liquidator that the company or body is carrying on, or has carried on—

(i) a regulated activity in contravention of the general prohibition, or

(ii) a credit-related regulated activity in contravention of section 20,

the liquidator must report the matter without delay to the FCA and, if the regulated activity concerned is a PRA-regulated activity, to the PRA.

(2) Subsection (1) does not apply where—

(a) a body is being wound up on a petition presented by a regulator, and

(b) the regulator's petition depended on a contravention by the body of the general prohibition.**]**

Textual Amendments

F2793 S. 370 substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 18** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

Modifications etc. (not altering text)

C1243 S. 370 modified (6.6.2013) by The Collective Investment in Transferable Securities (Contractual Scheme) Regulations 2013 (S.I. 2013/1388), regs. 1, **17(14)** (with reg. 24)

371 [F2794Powers of FCA and PRA] to participate in proceedings.

(1) This section applies if a person F2795... presents a petition for the winding up of a body which—

(a) is, or has been, an authorised person [F2796or recognised investment exchange];

(b) is, or has been, an appointed representative; or

(c) is carrying on, or has carried on, a regulated activity in contravention of the general prohibition.

(2) The [F2797appropriate regulator] is entitled to be heard—

(a) at the hearing of the petition; and

(b) at any other hearing of the court in relation to the body under or by virtue of Part IV or V of the 1986 Act (or Part V or VI of the 1989 Order).

(3) Any notice or other document required to be sent to a creditor of the body must also be sent to the [F2797appropriate regulator].

(4) A person appointed for the purpose by the [F2797appropriate regulator] is entitled—

(a) to attend any meeting of creditors of the body;

(b) to attend any meeting of a committee established for the purposes of Part IV or V of the 1986 Act under section 101 of that Act or under section 141 or 142 of that Act;

(c) to attend any meeting of a committee established for the purposes of Part V or VI of the 1989 Order under Article 87 of that Order or under Article 120 of that Order; and

(d) to make representations as to any matter for decision at such a meeting.

[F2798(4A) The appropriate regulator or a person appointed by the appropriate regulator is entitled to participate in (but not vote in) a qualifying decision procedure by which a decision about any matter is sought from the creditors of the body.]

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(5) If, during the course of the winding up of a company, a compromise or arrangement **[**[F2799]in relation to which Part 26 of the Companies Act 2006 applies**]** is proposed between the company and its creditors, or any class of them, the **[**[F2797]appropriate regulator**]** may apply to the court under **[**[F2800]section 896 or 899 of **[**[F2801]that Act**]]**.

[[F2802](5A) If, during the course of the winding up of a company, a compromise or arrangement in relation to which Part 26A of the Companies Act 2006 applies is proposed between the company and its creditors, or any class of them, the appropriate regulator may apply to the court under section 901C or 901F of that Act.**]**

[[F2803](6) "The appropriate regulator" means—

(a) where the body is a PRA-regulated person, each of the FCA and the PRA, except that the references in subsections (4) and (4A) to a person appointed by the appropriate regulator are to be read as references to a person appointed by either the FCA or the PRA;

(b) in any other case, the FCA.**]**

(7) But where the petition was presented by a regulator "the appropriate regulator" does not include the regulator which presented the petition.

Textual Amendments

F2794 Words in s. 371 heading substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 19(5)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2795 Words in s. 371(1) omitted (1.4.2013) by virtue of Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 19(2)(a)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2796 Words in s. 371(1)(a) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 19(2)(b)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2797 Words in s. 371(2)-(5) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 19(3)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2798 S. 371(4A) inserted (13.3.2018) by The Small Business, Enterprise and Employment Act 2015 (Consequential Amendments, Savings and Transitional Provisions) Regulations 2018 (S.I. 2018/208), regs. 1(3), **4(6)(a)** (with reg. 17)

F2799 Words in s. 371(5) inserted (26.6.2020) by Corporate Insolvency and Governance Act 2020 (c. 12), s. 49(1), **Sch. 9 para. 20(5)(a)(i)** (with ss. 2(2), 5(2))

F2800 Words in s. 371(5) substituted (6.4.2008) by The Companies Act 2006 (Consequential Amendments etc) Order 2008 (S.I. 2008/948), arts. 2(2), 3(1), **Sch. 1 para. 211(4)** (with arts. 6, 11, 12)

F2801 Words in s. 371(5) substituted (26.6.2020) by Corporate Insolvency and Governance Act 2020 (c. 12), s. 49(1), **Sch. 9 para. 20(5)(a)(ii)** (with ss. 2(2), 5(2))

F2802 S. 371(5A) inserted (26.6.2020) by Corporate Insolvency and Governance Act 2020 (c. 12), s. 49(1), **Sch. 9 para. 20(5)(b)** (with ss. 2(2), 5(2))

F2803 S. 371(6) substituted (13.3.2018) by The Small Business, Enterprise and Employment Act 2015 (Consequential Amendments, Savings and Transitional Provisions) Regulations 2018 (S.I. 2018/208), regs. 1(3), **4(6)(b)** (with reg. 17)

Modifications etc. (not altering text)

C1244 S. 371 applied (with modifications) (6.4.2001) by S.I. 2001/1090, **regs. 1**, 6

C1245 S. 371 applied (with modifications) (N.I.) (13.9.2004) by Limited Liability Partnerships Regulations (Northern Ireland) 2004 (S.R. 2004/307), **reg. 6**

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Bankruptcy

372 Petitions.

(1) The **[**F2804FCA**]** may present a petition to the court—

(a) under section 264 of the 1986 Act (or Article 238 of the 1989 Order) for a bankruptcy order to be made against an individual; or

(b) under section **[**F28052 or 5 of the 2016**]** Act for the sequestration of the estate of an individual.

[F2806(1A) The PRA may present a petition to the court—

(a) under section 264 of the 1986 Act (or Article 238 of the 1989 Order) for a bankruptcy order to be made against an individual who is a PRA-regulated person;

(b) under section **[**F28072 or 5 of the 2016**]** Act for the sequestration of the estate of an individual who is a PRA-regulated person.**]**

(2) But **[**F2808a petition may be presented by virtue of subsection (1) or (1A)**]** only on the ground that—

(a) the individual appears to be unable to pay a regulated activity debt; or

(b) the individual appears to have no reasonable prospect of being able to pay a regulated activity debt.

(3) An individual appears to be unable to pay a regulated activity debt if he is in default on an obligation to pay a sum due and payable under an agreement.

(4) An individual appears to have no reasonable prospect of being able to pay a regulated activity debt if—

(a) **[**F2809a regulator**]** has served on him a demand requiring him to establish to the satisfaction of **[**F2810that regulator**]** that there is a reasonable prospect that he will be able to pay a sum payable under an agreement when it falls due;

(b) at least three weeks have elapsed since the demand was served; and

(c) the demand has been neither complied with nor set aside in accordance with rules.

(5) A demand made under subsection (4)(a) is to be treated for the purposes of the 1986 Act (or the 1989 Order) as if it were a statutory demand under section 268 of that Act (or Article 242 of that Order).

(6) For the purposes of a petition presented in accordance with subsection (1)(b) **[**F2811or (1A)(b)**]**—

(a) **[**F2812the regulator by which the petition is presented**]** is to be treated as a qualified creditor; and

(b) a ground mentioned in subsection (2) constitutes apparent insolvency.

(7) "Individual" means an individual—

(a) who is, or has been, an authorised person; or

(b) who is carrying on, or has carried on, a regulated activity in contravention of the general prohibition.

(8) "Agreement" means an agreement the making or performance of which constitutes or is part of a regulated activity carried on by the individual concerned.

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(9) "Rules" means—

(a) in England and Wales, rules made under section 412 of the 1986 Act;

(b) in Scotland, rules made by order by the Treasury, after consultation with the Scottish Ministers, for the purposes of this section; and

(c) in Northern Ireland, rules made under Article 359 of the 1989 Order.

Textual Amendments

F2804 Word in s. 372(1) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 20(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2805 Words in s. 372(1)(b) substituted (30.11.2016) by The Bankruptcy (Scotland) Act 2016 (Consequential Provisions and Modifications) Order 2016 (S.I. 2016/1034), art. 1, **Sch. 1 para. 20(6)**

F2806 S. 372(1A) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 20(3)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2807 Words in s. 372(1A)(b) substituted (30.11.2016) by The Bankruptcy (Scotland) Act 2016 (Consequential Provisions and Modifications) Order 2016 (S.I. 2016/1034), art. 1, **Sch. 1 para. 20(6)**

F2808 Words in s. 372(2) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 20(4)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2809 Words in s. 372(4)(a) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 20(5)(a)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2810 Words in s. 372(4)(a) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 20(5)(b)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2811 Words in s. 372(6) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 20(6)(a)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2812 Words in s. 372(6)(a) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 20(6)(b)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

Commencement Information

I79 S. 372 wholly in force at 1.12.2001; s. 372 not in force at Royal Assent see s. 431(2); s. 372 in force for certain purposes at 20.7.2001 by S.I. 2001/2632, art. 2(1), **Sch. Pt. 1**; s. 372 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**

373 Insolvency practitioner's duty to report [F2813 to FCA and PRA].

(1) If—

(a) a bankruptcy order or sequestration award is in force in relation to an individual F2814..., and

(b) it appears to the insolvency practitioner that the individual is carrying on, or has [F2815 carried on—

(i) a regulated activity in contravention of the general prohibition, or

(ii) a credit-related regulated activity in contravention of section 20,]

the insolvency practitioner must report the matter [F2816 without delay to the FCA and, if the regulated activity concerned is a PRA-regulated activity, to the PRA].

[F2817 (1A) Subsection (1) does not apply where—

(a) the bankruptcy order or sequestration award is in force by virtue of a petition presented by a regulator, and

(b) the regulator's petition depended on a contravention by the individual of the general prohibition.]

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(2) "Bankruptcy order" means a bankruptcy order under Part IX of the 1986 Act (or Part IX of the 1989 Order).

(3) "Sequestration award" means an award of sequestration under section **[**F2818**]**22 of the 2016**]** Act.

(4) "Individual" includes an entity mentioned in section 374(1)(c).

Textual Amendments

F2813 Words in s. 373 heading substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 21(4)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2814 Words in s. 373(1)(a) omitted (1.4.2013) by virtue of Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 21(2)(a)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2815 Words in s. 373(1)(b) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 21(2)(b)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2816 Words in s. 373(1) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 21(2)(c)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2817 S. 373(1A) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 21(3)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2818 Words in s. 373(3) substituted (30.11.2016) by The Bankruptcy (Scotland) Act 2016 (Consequential Provisions and Modifications) Order 2016 (S.I. 2016/1034), art. 1, **Sch. 1 para. 20(7)**

374 **[**F2819**]Powers of FCA or PRA] to participate in proceedings.**

(1) This section applies if a person F2820... presents a petition to the court—

(a) under section 264 of the 1986 Act (or Article 238 of the 1989 Order) for a bankruptcy order to be made against an individual;

(b) under section **[**F2821**]**2 or 5 of the 2016**]** Act for the sequestration of the estate of an individual; or

(c) under section 6 of the **[**F2822**]**2016**]** Act for the sequestration of the estate belonging to or held for or jointly by the members of an entity mentioned in subsection (1) of that section.

(2) The **[**F2823**]**appropriate regulator**]** is entitled to be heard—

(a) at the hearing of the petition; and

(b) at any other hearing in relation to the individual or entity under—

(i) Part IX of the 1986 Act;

(ii) Part IX of the 1989 Order; or

(iii) the **[**F2824**]**2016**]** Act.

(3) **[**F2825**]**In the case of a petition presented under Article 238 of the 1989 Order, a copy of the report prepared under Article 248 of that Order**]** must also be sent to the **[**F2823**]**appropriate regulator**]**.

(4) A person appointed for the purpose by the **[**F2823**]**appropriate regulator**]** is entitled—

(a) to attend any meeting of creditors of the individual or entity;

(b) to attend any meeting of a committee established under section 301 of the 1986 Act (or Article 274 of the 1989 Order);

(c) to attend any meeting of commissioners held under paragraph **[**F2826**]**26 or 27 of schedule 6 to the 2016**]** Act; and

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(d) to make representations as to any matter for decision at such a meeting.

[[F2827](4A) The appropriate regulator or a person appointed by the appropriate regulator is entitled to participate in (but not vote in) a creditors' decision procedure by which a decision about any matter is sought from the creditors of the individual or entity.**]**

(5) "Individual" means an individual who—

(a) is, or has been, an authorised person; or

(b) is carrying on, or has carried on, a regulated activity in contravention of the general prohibition.

(6) "Entity" means an entity which—

(a) is, or has been, an authorised person; or

(b) is carrying on, or has carried on, a regulated activity in contravention of the general prohibition.

[[F2828]**[**[F2829](7) "The appropriate regulator" means—

(a) where the individual or entity is a PRA-regulated person, each of the FCA and the PRA, except that the references in subsections (4) and (4A) to a person appointed by the appropriate regulator are to be read as references to a person appointed by either the FCA or the PRA;

(b) in any other case, the FCA.**]**

(8) But where the petition was presented by a regulator "the appropriate regulator" does not include the regulator which presented the petition.**]**

Textual Amendments

F2819 Words in s. 374 heading substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 22(5)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2820 Words in s. 374(1) omitted (1.4.2013) by virtue of Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 22(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2821 Words in s. 374(1)(b) substituted (30.11.2016) by The Bankruptcy (Scotland) Act 2016 (Consequential Provisions and Modifications) Order 2016 (S.I. 2016/1034), art. 1, **Sch. 1 para. 20(8)(a)(i)**

F2822 Word in s. 374(1)(c) substituted (30.11.2016) by The Bankruptcy (Scotland) Act 2016 (Consequential Provisions and Modifications) Order 2016 (S.I. 2016/1034), art. 1, **Sch. 1 para. 20(8)(a)(ii)**

F2823 Words in s. 374(2)-(4) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 22(3)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2824 Word in s. 374(2)(b)(iii) substituted (30.11.2016) by The Bankruptcy (Scotland) Act 2016 (Consequential Provisions and Modifications) Order 2016 (S.I. 2016/1034), art. 1, **Sch. 1 para. 20(8)(b)**

F2825 Words in s. 374(3) substituted (6.4.2016) by The Enterprise and Regulatory Reform Act 2013 (Consequential Amendments) (Bankruptcy) and the Small Business, Enterprise and Employment Act 2015 (Consequential Amendments) Regulations 2016 (S.I. 2016/481), reg. 1, **Sch. 1 para. 13**

F2826 Words in s. 374(4)(c) substituted (30.11.2016) by The Bankruptcy (Scotland) Act 2016 (Consequential Provisions and Modifications) Order 2016 (S.I. 2016/1034), art. 1, **Sch. 1 para. 20(8)(c)**

F2827 S. 374(4A) inserted (13.3.2018) by The Small Business, Enterprise and Employment Act 2015 (Consequential Amendments, Savings and Transitional Provisions) Regulations 2018 (S.I. 2018/208), regs. 1(3), **4(7)(a)** (with reg. 17)

F2828 S. 374(7) substituted (13.3.2018) by The Small Business, Enterprise and Employment Act 2015 (Consequential Amendments, Savings and Transitional Provisions) Regulations 2018 (S.I. 2018/208), regs. 1(3), **4(7)(b)** (with reg. 17)

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F2829 S. 374(7)(8) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 22(4)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

Provisions against debt avoidance

375 [F2830 Right of FCA and PRA] to apply for an order.

(1) The **[**F2831 FCA**]** may apply for an order under section 423 of the 1986 Act (or Article 367 of the 1989 Order) in relation to a debtor if—

(a) at the time the transaction at an undervalue was entered into, the debtor was carrying on a regulated activity (whether or not in contravention of the general prohibition); and

(b) a victim of the transaction is or was party to an agreement entered into with the debtor, the making or performance of which constituted or was part of a regulated activity carried on by the debtor.

[F2832 (1A) The PRA may apply for an order under section 423 of the 1986 Act (or Article 367 of the 1989 Order) in relation to a debtor if—

(a) at the time the transaction at an undervalue was entered into, the debtor was carrying on a PRA-regulated activity (whether or not in contravention of the general prohibition); and

(b) a victim of the transaction is or was party to an agreement entered into with the debtor, the making or performance of which constituted or was part of a PRA-regulated activity carried on by the debtor.**]**

(2) An application made under this section is to be treated as made on behalf of every victim of the transaction to whom subsection (1)(b) **[**F2833 or subsection (1A)(b) (as the case may be)**]** applies.

(3) Expressions which are given a meaning in Part XVI of the 1986 Act (or Article 367, 368 or 369 of the 1989 Order) have the same meaning when used in this section.

Textual Amendments

F2830 Words in s. 375 heading substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 23(5)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2831 Word in s. 375(1) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 23(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2832 S. 375(1A) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 23(3)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2833 Words in s. 375(2) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 23(4)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

Modifications etc. (not altering text)

C1246 S. 375 modified (21.2.2009) by The Banking Act 2009 (Parts 2 and 3 Consequential Amendments) Order 2009 (S.I. 2009/317), **art. 5(1)(7)**

C1247 S. 375 applied (with modifications) (8.2.2011 with application in accordance with reg. 27(a) of the applying S.I.) by The Investment Bank Special Administration Regulations 2011 (S.I. 2011/245), regs. 1, 27(a), **Sch. 6 para. 3(5)** (as amended (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 198(s)(ii)** (with Sch. 2 para. 213))

Status: *This version of this Act contains provisions that are prospective.*
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Supplemental provisions concerning insurers

376 Continuation of contracts of long-term insurance where insurer in liquidation.

(1) This section applies in relation to the winding up of an insurer which effects or carries out contracts of long-term insurance.

(2) Unless the court otherwise orders, the liquidator must carry on the insurer's business so far as it consists of carrying out the insurer's contracts of long-term insurance with a view to its being transferred as a going concern to a person who may lawfully carry out those contracts.

(3) In carrying on the business, the liquidator—

(a) may agree to the variation of any contracts of insurance in existence when the winding up order is made; but

(b) must not effect any new contracts of insurance.

(4) If the liquidator is satisfied that the interests of the creditors in respect of liabilities of the insurer attributable to contracts of long-term insurance effected by it require the appointment of a special manager, he may apply to the court.

(5) On such an application, the court may appoint a special manager to act during such time as the court may direct.

(6) The special manager is to have such powers, including any of the powers of a receiver or manager, as the court may direct.

(7) Section 177(5) of the 1986 Act (or Article 151(5) of the 1989 Order) applies to a special manager appointed under subsection (5) as it applies to a special manager appointed under section 177 of the 1986 Act (or Article 151 of the 1989 Order).

(8) If the court thinks fit, it may reduce the value of one or more of the contracts of long-term insurance effected by the insurer.

(9) Any reduction is to be on such terms and subject to such conditions (if any) as the court thinks fit.

(10) The court may, on the application of an official, appoint an independent actuary to investigate the insurer's business so far as it consists of carrying out its contracts of long-term insurance and to report to the official—

(a) on the desirability or otherwise of that part of the insurer's business being continued; and

(b) on any reduction in the contracts of long-term insurance effected by the insurer that may be necessary for successful continuation of that part of the insurer's business.

(11) "Official" means—

(a) the liquidator;

(b) a special manager appointed under subsection (5); or

(c) the **[**[F2834]PRA**]**.

[[F2835](11A) The PRA must—

(a) consult the FCA before making an application under subsection (10), and

(b) provide the FCA with a copy of any actuary's report made to the PRA under that subsection.

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(11B) In the event that the activity of effecting or carrying out long-term contracts of insurance as principal is not to any extent a **[**[F2836]PRA-regulated**]** activity—

(a) the reference in subsection (11)(c) to the PRA is to be read as a reference to the FCA, and

(b) subsection (11A) does not apply.**]**

(12) The liquidator may make an application in the name of the insurer and on its behalf under Part VII without obtaining the permission that would otherwise be required by **[**[F2837]Article 142 of, and Schedule 2 to, the 1989 Order.**]**

Textual Amendments

F2834 Word in s. 376(11)(c) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 24(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2835 S. 376(11A)(11B) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 14 para. 24(3)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2836 Words in s. 376(11B) substituted (1.3.2014) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 10 para. 2**; S.I. 2014/377, art. 2(1)(a), Sch. Pt. 1

F2837 Words in s. 376(12) substituted (7.4.2017) by The Deregulation Act 2015, the Small Business, Enterprise and Employment Act 2015 and the Insolvency (Amendment) Act (Northern Ireland) 2016 (Consequential Amendments and Transitional Provisions) Regulations 2017 (S.I. 2017/400), regs. 1(2), **4**

[F2838]377 Reducing the value of contracts instead of winding up.

. . . . . .

Textual Amendments

F2838 S. 377 omitted (29.8.2023) by virtue of Financial Services and Markets Act 2023 (c. 29), s. 86(2)(e), **Sch. 12 para. 1(3)**

[[F2839]377A Write-down orders

(1) A "write-down order" is an order of the court directing that the value of one or more of an insurer's liabilities is reduced on such terms as may be specified in the order.

(2) The court may make a write-down order in relation to an insurer if it is satisfied that—

(a) the insurer is, or is likely to become, unable to pay its debts (within the meaning given to that expression by section 123 of the 1986 Act or Article 103 of the 1989 Order), and

(b) making the order is reasonably likely to lead to a better outcome for the insurer's policyholders and other creditors (taken as a whole) than not making the order.

(3) A write-down order—

(a) takes effect on the later of—

(i) the date specified in the order, and

(ii) the date on which the appointment of a person to act as the manager of the order first takes effect (see section 377G(7));

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(b) ceases to have effect in accordance with section 377H;

(c) may be revoked or varied in accordance with section 377I.

(4) A write-down order may not be made in relation to an insurer—

(a) which is in administration (within the meaning of Schedule B1 to the 1986 Act or Schedule B1 to the 1989 Order), or

(b) which is in liquidation by virtue of—

(i) a resolution for voluntary winding up, or

(ii) a winding-up order under section 125 of the 1986 Act or Article 105 of the 1989 Order.

(5) A write-down order may not reduce the value of an excluded liability (within the meaning given by section 377B).

(6) A liability, to the extent of its reduction by a write-down order under this section, is to be treated as extinguished unless and until revived by section 377H or 377I.

(7) In this section, "creditor" includes a contingent or prospective creditor.**]**

Textual Amendments

F2839 Ss. 377A-377J inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), s. 86(2)(e), **Sch. 12 para. 1(4)**

[F2839 377B Excluded liabilities

(1) Each of the following is an "excluded liability"—

(a) a liability with an original maturity of less than 7 days;

(b) an amount payable in respect of goods delivered, or a service provided, on or after the date on which the write-down order is made;

(c) an amount in respect of remuneration or expenses of a person appointed under section 377G to act as the manager of the write-down order (including amounts incurred before, as well as after, the person's appointment in connection with the order or the application for the order);

(d) an amount secured on property of any kind, other than an amount secured by a charge which, as created, was a floating charge;

(e) an amount payable in respect of wages or salary arising under a contract of employment;

(f) a contribution or other sum payable in respect of an occupational pension scheme;

(g) an amount payable in respect of redundancy payments;

(h) an amount payable under a contract or other instrument involving financial services.

(2) In this section—

"contract or other instrument involving financial services" has the meaning given by Schedule ZA2 to the 1986 Act, but does not include an agreement which is, or forms part of, an arrangement involving the issue of a capital market investment (see paragraph 6 of that Schedule);

"floating charge" has the meaning given by section 251 of the 1986 Act or paragraph (1) of Article 5 of the 1989 Order;

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"redundancy payment" means—

(a) a redundancy payment under Part 11 of the Employment Rights Act 1996 or Part 12 of the Employment Rights (Northern Ireland) Order 1996 (S.I. 1996/1919 (N.I. 16)), or

(b) a payment made to a person who agrees to the termination of their employment in circumstances where they would have been entitled to a redundancy payment under that Part if dismissed;

"wages or salary" includes—

(a) a sum payable in respect of a period of holiday;

(b) a sum payable in respect of a period of absence through illness or other good cause;

(c) a sum payable in lieu of holiday.**]**

Textual Amendments

F2839 Ss. 377A-377J inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), s. 86(2)(e), **Sch. 12 para. 1(4)**

[F2839 377C Application for a write-down order

(1) An application to the court for a write-down order in relation to an insurer may be made only by—

(a) the Treasury;

(b) the PRA;

(c) the insurer;

(d) a shareholder of the insurer;

(e) a policyholder or other creditor (including a contingent or prospective creditor) of the insurer.

(2) An application for a write-down order may not be withdrawn without the permission of the court.

(3) A person other than the PRA or the Treasury—

(a) must obtain the consent of the PRA before making an application for a write-down order;

(b) must notify the PRA before seeking the court's permission to withdraw an application for a write-down order.

(4) Consent under subsection (3)—

(a) must be in writing, and

(b) must be filed with the court with the relevant application.

(5) The PRA must consult the FCA before—

(a) making an application for a write-down order, or

(b) giving or refusing consent for a person to make an application for a write-down order.**]**

Status: *This version of this Act contains provisions that are prospective.*
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Textual Amendments

F2839 Ss. 377A-377J inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), s. 86(2)(e), **Sch. 12 para. 1(4)**

[F2839 377I Powers of the FCA and PRA to participate in proceedings

(1) This section applies if an application is made to the court for a write-down order.

(2) The FCA and the PRA are entitled to be heard—

(a) at any hearing relating to the application, and

(b) if an order is made, at any hearing relating to the order.

(3) Any notice or other document required to be sent to a creditor of the insurer—

(a) in relation to the application, or

(b) if an order is made, in relation to the order,

must also be sent to the FCA and the PRA.**]**

Textual Amendments

F2839 Ss. 377A-377J inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), s. 86(2)(e), **Sch. 12 para. 1(4)**

[F2839 377J Powers of the court

On an application for a write-down order, the court may—

(a) if, on hearing the application, it is satisfied of the matters in section 377A(2), make a write-down order in the terms sought, or in such other terms as the court thinks appropriate;

(b) dismiss the application;

(c) adjourn the hearing conditionally or unconditionally;

(d) make any other order which the court thinks appropriate.**]**

Textual Amendments

F2839 Ss. 377A-377J inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), s. 86(2)(e), **Sch. 12 para. 1(4)**

[F2839 377K Duty to notify creditors

(1) This section applies where a write-down order is made in relation to an insurer.

(2) As soon as reasonably practicable after the order is made, the insurer must notify the FCA, the PRA and each affected person that the order has been made.

(3) An "affected person" is a person of a description specified in rules made by the PRA for the purposes of this section.

(4) Notification under this section—

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(a) must include such other information as may be specified in rules made by the PRA for the purposes of this section, and

(b) must be given in such form and manner as may be specified in rules made by the PRA for the purposes of this section.

(5) Failure to notify an affected person in accordance with this section, or rules made by the PRA for the purposes of this section, does not affect the validity of the write-down order in relation to that person or any other person.**]**

Textual Amendments

F2839 Ss. 377A-377J inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), s. 86(2)(e), **Sch. 12 para. 1(4)**

[F2839 377C The manager

(1) The court may by order appoint one or more eligible persons to act as the manager of a write-down order ("the manager").

(2) An order under subsection (1) may—

(a) be made at the same time as the write-down order or at a later date (but see section 377A(3)(a));

(b) appoint a person in addition to or instead of a person who is for the time being appointed;

(c) give such directions about the carrying out of the person's functions as the manager as the court thinks appropriate.

(3) The court may by order terminate the appointment of a person who is for the time being appointed to act as the manager of a write-down order.

(4) Sections 377C and 377D apply to an application to the court for an order under subsection (1) or (3) as they apply to an application for a write-down order but—

(a) if the application is for the appointment of a person in addition to, or instead of, a person for the time being appointed, section 377C(1) applies as if the persons mentioned included a person for the time being appointed;

(b) section 377C(2) does not apply.

(5) The court may appoint a person to act as the manager of a write-down order only if—

(a) the PRA has provided the court with a statement that the person is suitably qualified, and

(b) the person has provided the court with a statement that the person consents so to act.

(6) Where it is proposed that more than one person should act as the manager, the statement under subsection (5)(b) must specify—

(a) which of the functions of the manager (if any) are to be exercised by the persons acting jointly, and

(b) which of the functions of the manager (if any) are to be exercised by any or all of the persons.

(7) The appointment of a person to act as the manager—

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(a) takes effect at the time specified in the order by which the person is appointed, and

(b) ceases to have effect at the time specified in the order by which the person's appointment is terminated (whether by being replaced by another person or otherwise).

(8) Schedule 19A makes further provision about the manager of a write-down order.**]**

Textual Amendments

F2839 Ss. 377A-377J inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), s. 86(2)(e), **Sch. 12 para. 1(4)**

[F2839 377H Write-down order ceasing to have effect

(1) A reduction in the value of a liability of an insurer under a write-down order ceases to have effect—

(a) on such date as may be specified in the order (and different dates may be specified in relation to different liabilities or liabilities of different types), or

(b) if earlier, or if no such date is specified, the date on which a termination event happens (or, if more than one termination event happens, the earliest of those dates).

(2) In the following table—

(a) the first column specifies each event which is a termination event for the purposes of this section, and

(b) the second column specifies, in relation to each termination event, the date on which the event happens for the purposes of this section.

Event	*Date event happens*
The write-down order being— (a) revoked, or (b) varied so as to remove the liability in question from its scope, by an order under section 377I	(a) The date specified in the order under section 377I as the date on which the revocation or variation is to take effect, or (b) if no date is specified, the date on which the order under section 377I is made
The insurer ceasing to have permission under Part 4A to carry out contracts of insurance	The date on which the withdrawal of permission takes effect
The transfer of the liability in question pursuant to an insurance business transfer scheme which has effect in accordance with an order under section 111(1)	The date on which the transfer takes effect
The making of a winding-up order against the insurer	The date on which the order is made
The voluntary winding up of the insurer	The date on which the liquidator is appointed

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Event	*Date event happens*
The coming into force of a voluntary arrangement (under Part 1 of the 1986 Act or Part 2 of the 1989 Order) in relation to the insurer	The date on which the voluntary arrangement comes into force
The insurer entering administration	The date on which the appointment of an administrator takes effect.

(3) Where a write-down order is varied, this section applies as if references to the write-down order were to the order as varied.**]**

Textual Amendments

F2839 Ss. 377A-377J inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), s. 86(2)(e), **Sch. 12 para. 1(4)**

[F2839 377I Variation or revocation of a write-down order

(1) The court may, by order—

(a) revoke a write-down order, or

(b) vary (or further vary) a write-down order.

(2) Section 377A(2)(b) applies to the making of an order under this section as it applies to the making of the write-down order.

(3) In varying (or further varying) a write-down order the court may, in particular—

(a) remove one or more of the insurer's liabilities from the scope of the order (but removing all such liabilities from the scope of the order takes effect as a termination of the order);

(b) bring one or more of the insurer's liabilities within the scope of the order (on such terms as the court may specify);

(c) further reduce the value of one or more of the insurer's liabilities;

(d) increase the value of one or more of the insurer's liabilities to any amount less than the value the liability had before the write-down order took effect;

(e) vary any term specified in the order, including the period for which a reduction in the value of a liability has effect;

(f) make any other order that the court thinks appropriate.

(4) Sections 377C to 377F apply to an application for an order under this section as they apply to an application for a write-down order but with the following modifications—

(a) section 377C(1) applies as if the list of persons entitled to make an application included—

(i) the FCA;

(ii) the scheme manager of the Financial Services Compensation Scheme (see section 212(1));

(iii) a person appointed under section 377G to act as the manager of the write-down order;

(b) if the person making the application is the scheme manager of the Financial Services Compensation Scheme, section 377C(3) does not apply.

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(5) The scheme manager of the Financial Services Compensation Scheme must consult the FCA and the PRA before making an application to vary or revoke a write-down order.

(6) Where a provisional liquidator of the insurer has been appointed under section 135 of the 1986 Act or Article 115 of the 1989 Order, a person appointed to act as the manager of a write-down order must obtain the consent of the provisional liquidator before making an application for an order under this section.**]**

Textual Amendments

F2839 Ss. 377A-377J inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), s. 86(2)(e), **Sch. 12 para. 1(4)**

[F2839 377J Further provision about write-down orders

In Schedule 19B—

(a) Part 1 makes provision about the enforcement of a liability of an insurer while a write-down order has effect;

(b) Part 2 makes provision about the disposal of an insurer's assets and the making of certain payments by an insurer while a write-down order has effect;

(c) Part 3 makes provision about the treatment of an insurer's liabilities for the purposes of certain provisions relating to insolvency while a write-down order has effect;

(d) Part 4 makes provision about interest payable in respect of liabilities reduced under a write-down order or prevented from being enforced while a write-down order has effect.**]**

Textual Amendments

F2839 Ss. 377A-377J inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), s. 86(2)(e), **Sch. 12 para. 1(4)**

[F2840 377K Insurers in financial difficulties: enforcement of contracts

Schedule 19C makes provision about the enforcement of certain contracts to which an insurer is a party while the insurer is in financial difficulties (within the meaning given by the Schedule).**]**

Textual Amendments

F2840 S. 377K inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), s. 86(2)(e), **Sch. 13 para. 1(2)**

378 Treatment of assets on winding up.

(1) The Treasury may by regulations provide for the treatment of the assets of an insurer on its winding up.

Status: *This version of this Act contains provisions that are prospective.*
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(2) The regulations may, in particular, provide for—

(a) assets representing a particular part of the insurer's business to be available only for meeting liabilities attributable to that part of the insurer's business;

(b) separate general meetings of the creditors to be held in respect of liabilities attributable to a particular part of the insurer's business.

379 Winding-up rules.

(1) Winding-up rules may include provision—

(a) for determining the amount of the liabilities of an insurer to policyholders of any class or description for the purpose of proof in a winding up; and

(b) generally for carrying into effect the provisions of this Part with respect to the winding up of insurers.

(2) Winding-up rules may, in particular, make provision for all or any of the following matters—

(a) the identification of assets and liabilities;

(b) the apportionment, between assets of different classes or descriptions, of—

(i) the costs, charges and expenses of the winding up; and

(ii) any debts of the insurer of a specified class or description;

(c) the determination of the amount of liabilities of a specified description;

(d) the application of assets for meeting liabilities of a specified description;

(e) the application of assets representing any excess of a specified description.

(3) "Specified" means specified in winding-up rules.

(4) "Winding-up rules" means rules made under section 411 of the 1986 Act (or Article 359 of the 1989 Order).

(5) Nothing in this section affects the power to make winding-up rules under the 1986 Act or the 1989 Order.

[F2841 Settlement finality

Textual Amendments

F2841 S. 379A and cross-heading inserted (27.4.2017) by Digital Economy Act 2017 (c. 30), **ss. 112**, 118(1)

379A Power to apply settlement finality regime to payment institutions

(1) The Treasury may by regulations made by statutory instrument provide for the application to payment institutions, as participants in payment or securities settlement systems, of provision in subordinate legislation—

(a) modifying the law of insolvency or related law in relation to such systems, or

(b) relating to the securing of rights and obligations.

(2) "Payment institution" means—

(a) an authorised payment institution or small payment institution within the meaning of the Payment Services Regulations **[**F2842 2017**]**, or

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(b) a person whose head office, registered office or place of residence, as the case may be, is outside the United Kingdom and whose functions correspond to those of an institution within paragraph (a).

(3) "Payment or securities settlement system" means arrangements between a number of participants for or in connection with the clearing or execution of instructions by participants relating to any of the following—

(a) the placing of money at the disposal of a recipient;

(b) the assumption or discharge of a payment obligation;

(c) the transfer of the title to, or an interest in, securities.

(4) "Subordinate legislation" has the same meaning as in the Interpretation Act 1978.

(5) Regulations under this section may—

(a) make consequential, supplemental or transitional provision;

(b) amend subordinate legislation.

(6) A statutory instrument containing regulations under this section is subject to annulment in pursuance of a resolution of either House of Parliament.**]**

Textual Amendments

F2842 Word in s. 379A(2)(a) substituted (13.8.2017) by The Payment Services Regulations 2017 (S.I. 2017/752), reg. 1(2)(c)(i), **Sch. 8 para. 2(6)** (with reg. 3)

PART XXV

INJUNCTIONS AND RESTITUTION

Modifications etc. (not altering text)

C1248 Pt. 25 amended (1.12.2001) by S.I. 2001/2657, **arts. 1(1)**, 10(10), 11(10) (which was revoked (8.10.2001) by S.I. 2001/3083, **arts. 1(2)**, 23); S.I. 2001/3538, **art. 2(1)**
Pt. 25 amended (1.12.2001) by S.I. 2001/3083, **arts. 1(2)**, 10(10), 11(10); S.I. 2001/3538, **art. 2(1)**
Pt. 25 extended (1.12.2001) by S.I. 2001/3646, **arts. 1(1)**, 3(1)(a)

C1249 Pt. 25 applied (with modifications) (E.W.) (9.7.2013) by The Legal Aid, Sentencing and Punishment of Offenders Act 2012 (Referral Fees) Regulations 2013 (S.I. 2013/1635), regs. 1, **24(1)**

C1250 Pt. 25 applied (with modifications) (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 1 para. 21** (with reg. 7)

C1251 Pt. 25 applied (with modifications) (1.1.2018) by The Packaged Retail and Insurance-based Investment Products Regulations 2017 (S.I. 2017/1127), reg. 1, **Sch. 1 para. 5**

C1252 Pt. 25 applied (with modifications) (3.1.2018) by The Data Reporting Services Regulations 2017 (S.I. 2017/699), regs. 1(2)(b), **36**

C1253 Pt. 25 applied (with modifications) (27.2.2018) by The Financial Services and Markets Act 2000 (Benchmarks) Regulations 2018 (S.I. 2018/135), regs. 1(2), **22**

C1254 Pt. 25 applied (with modifications) (1.1.2019) by The Securitisation Regulations 2018 (S.I. 2018/1288), reg. 1, **Sch. 1 para. 6** (with Sch. 1 paras. 13, 14)

C1255 Pt. 25 applied (with modifications) (10.6.2019) by The Proxy Advisors (Shareholders Rights) Regulations 2019 (S.I. 2019/926), regs. 1, **20**, 25

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C1256 Pt. 25 applied (with modifications) (30.1.2024 for specified purposes) by The Securitisation Regulations 2024 (S.I. 2024/102), reg. 2(1)(e)(2), **Sch. 1 para. 11** (with reg. 52(3), Sch. 3)

C1257 Pt. 25 applied (with modifications) (5.4.2024) by The Data Reporting Services Regulations 2024 (S.I. 2024/107), regs. 1(2), **22**; S.I. 2023/1382, **reg. 4(c)**

C1258 Pt. 25 applied (with modifications) (30.1.2024 for specified purposes, 1.11.2024 in so far as not already in force) by The Securitisation Regulations 2024 (S.I. 2024/102), reg. 2(1)(e)(2), **Sch. 1 para. 11** (with reg. 52(3), Sch. 3); as amended by S.I. 2024/705, regs. 1(2), **2(2)**

Injunctions

380 Injunctions.

(1) If, on the application of the **[**F2843appropriate regulator**]** or the Secretary of State, the court is satisfied—

(a) that there is a reasonable likelihood that any person will contravene a relevant requirement, or

(b) that any person has contravened a relevant requirement and that there is a reasonable likelihood that the contravention will continue or be repeated,

the court may make an order restraining (or in Scotland an interdict prohibiting) the contravention.

(2) If on the application of the **[**F2843appropriate regulator**]** or the Secretary of State the court is satisfied—

(a) that any person has contravened a relevant requirement, and

(b) that there are steps which could be taken for remedying the contravention,

the court may make an order requiring that person, and any other person who appears to have been knowingly concerned in the contravention, to take such steps as the court may direct to remedy it.

(3) If, on the application of the **[**F2843appropriate regulator**]** or the Secretary of State, the court is satisfied that any person may have—

(a) contravened a relevant requirement, or

(b) been knowingly concerned in the contravention of such a requirement,

it may make an order restraining (or in Scotland an interdict prohibiting) him from disposing of, or otherwise dealing with, any assets of his which it is satisfied he is reasonably likely to dispose of or otherwise deal with.

(4) The jurisdiction conferred by this section is exercisable by the High Court and the Court of Session.

(5) In subsection (2), references to remedying a contravention include references to mitigating its effect.

(6) "Relevant requirement"—

(a) in relation to an application by the **[**F2844appropriate regulator**]**, means a requirement—

(i) **[**F2845which is imposed by or under this Act or by a **[**F2846qualifying provision**]** specified, or of a description specified, for the purposes of this subsection by the Treasury by order**]**F2847...

(ii) which is imposed by or under any other Act and whose contravention constitutes an offence **[**F2848mentioned in section 402(1)**]**; F2849**[**F2850...

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(iii) which is imposed by the Alternative Investment Fund Managers Regulations 2013;**]**[F2851**[**[F2852...

(iv) which is imposed by Part 7 of the Financial Services Act 2012 (offences relating to financial services) and whose contravention constitutes an offence under that Part;**]**[**]**[F2853or**]**

[[F2854](v) which is imposed by a provision made in accordance with the transparency obligations directive (within the meaning of section 103(1));**]**[**]**[F2855, or

(vi) which is imposed by the Undertakings for Collective Investment in Transferable Securities Regulations 2011.**]**

(b) in relation to an application by the Secretary of State, means a requirement which is imposed by or under this Act and whose contravention constitutes an offence which the Secretary of State has power to prosecute under this Act.

(7) In the application of subsection (6) to Scotland—

[F2856](a) . . . . . .

(b) in paragraph (b) omit "which the Secretary of State has power to prosecute under this Act".

[[F2857](8) The PRA is the "appropriate regulator" in the case of a contravention of—

(a) a requirement that is imposed by the PRA under any provision of this Act,

(b) a requirement under section 56(6) where the authorised person concerned is a PRA-authorised person and the prohibition order concerned is made by the PRA, or

(c) a requirement under section 59(1) or (2) where the authorised person concerned is a PRA-authorised person and the approval concerned falls to be given by the PRA.

(9) In the case of a contravention of a requirement that is imposed by a **[**[F2858qualifying provision**]**, "the appropriate regulator" is whichever of the PRA or the FCA (or both) is specified by the Treasury by order in relation to the **[**[F2858qualifying provision**]** for the purposes of this section.

(10) In the case of a contravention of a requirement where the contravention constitutes an offence under this Act, the "appropriate regulator" is whichever of the PRA or the FCA has power to prosecute the offence (see section 401).

(11) The FCA is the "appropriate regulator" in the case of a contravention of any other requirement **[**[F2859, other than a case falling within paragraph 26 of Schedule 17A**]**.

(12) The Treasury may by order amend the definition of "appropriate regulator".**]**

Textual Amendments

F2843 Words in s. 380(1)-(3) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 19(2)** (with Sch. 20); S.I. 2013/113, art. 2(1)(b), Sch. Pt. 2; S.I. 2013/423, art. 3, Sch.

F2844 Words in s. 380(6)(a) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 19(3)(a)** (with Sch. 20); S.I. 2013/113, art. 2(1)(b), Sch. Pt. 2; S.I. 2013/423, art. 3, Sch.

F2845 S. 380(6)(i) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 19(3)(b)** (with Sch. 20); S.I. 2013/113, art. 2(1)(b), Sch. Pt. 2; S.I. 2013/423, art. 3, Sch.

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F2846 Words in s. 380(6)(a)(i) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **70(2)**; 2020 c. 1, Sch. 5 para. 1(1)

F2847 Word in s. 380(6)(a) omitted (22.7.2013) by virtue of The Alternative Investment Fund Managers Regulations 2013 (S.I. 2013/1773), reg. 1, **Sch. 1 para. 27(a)**

F2848 Words in s. 380(6)(ii) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 19(3)(c)** (with Sch. 20); S.I. 2013/113, art. 2(1)(b), Sch. Pt. 2; S.I. 2013/423, art. 3, Sch.

F2849 Word in s. 380(6)(a)(ii) omitted (1.4.2014) by virtue of Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 10 para. 3(2)**; S.I. 2014/377, art. 2(2)(c)

F2850 S. 380(6)(a)(iii) and word inserted (22.7.2013) by The Alternative Investment Fund Managers Regulations 2013 (S.I. 2013/1773), reg. 1, **Sch. 1 para. 27(b)**

F2851 Word in s. 380(6)(a)(iii) omitted (26.11.2015) by virtue of The Transparency Regulations 2015 (S.I. 2015/1755), regs. 1(3), **4(4)(a)**

F2852 S. 380(6)(a)(iv) and word inserted (1.4.2014) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 10 para. 3(2)**; S.I. 2014/377, art. 2(2)(c)

F2853 Word in s. 380(6)(a)(iv) inserted (26.11.2015) by The Transparency Regulations 2015 (S.I. 2015/1755), regs. 1(3), **4(4)(b)**

F2854 S. 380(6)(a)(v) inserted (26.11.2015) by The Transparency Regulations 2015 (S.I. 2015/1755), regs. 1(3), **4(4)(c)**

F2855 S. 380(6)(a)(vi) and word inserted (18.3.2016) by The Undertakings for Collective Investment in Transferable Securities Regulations 2016 (S.I. 2016/225), regs. 1, **2(6)(d)**

F2856 S. 380(7)(a) omitted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by virtue of Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 19(4)** (with Sch. 20); S.I. 2013/113, art. 2(1)(b), Sch. Pt. 2; S.I. 2013/423, art. 3, Sch.

F2857 S. 380(8)-(12) inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 19(5)** (with Sch. 20); S.I. 2013/113, art. 2(1)(b), Sch. Pt. 2; S.I. 2013/423, art. 3, Sch.

F2858 Words in s. 380(9) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **70(3)**; 2020 c. 1, Sch. 5 para. 1(1)

F2859 Words in s. 380(11) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 19(3)**, 86(3); S.I. 2023/779, reg. 4(n)

Modifications etc. (not altering text)

C1259 S. 380 modified (18.7.2002 for certain purposes and 21.8.2002 otherwise) by The Electronic Commerce Directive (Financial Services and Markets) Regulations 2002 (S.I. 2002/1775), regs. 1, **12(2)** (as amended (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 77(7)(a)(ii)**)

C1260 S. 380 applied (with modifications) (1.4.2013) by The Financial Services Act 2012 (Transitional Provisions) (Enforcement) Order 2013 (S.I. 2013/441), arts. 1(1), **15(2)**

C1261 S. 380 applied (with modifications) (1.4.2013) by The Financial Services Act 2012 (Transitional Provisions) (Enforcement) Order 2013 (S.I. 2013/441), arts. 1(1), **18(3)**

C1262 S. 380 applied (with modifications) (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services Act 2012 (Consumer Credit) Order 2013 (S.I. 2013/1882), arts. 1(1), **3(8)**

C1263 S. 380 modified (20.4.2015 for specified purposes, 21.12.2015 for specified purposes, 21.3.2016 in so far as not already in force) by The Mortgage Credit Directive Order 2015 (S.I. 2015/910), arts. 1(5), **23(1)(b)** (with Pt. 4)

C1264 S. 380 applied (with modifications) (31.5.2021) by The Civil Liability Act 2018 (Financial Conduct Authority) (Whiplash) Regulations 2021 (S.I. 2021/594), regs. 1, **2(7)(a)**

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C1265 applied (8.6.2023 for specified purposes, 7.10.2023 in so far as not already in force) by The Financial Services and Markets Act 2000 (Financial Promotion) (Amendment) Order 2023 (S.I. 2023/612), art. 1(2), **Sch. para. 1(p)** (with art. 11)

C1266 S. 380 applied (with modifications) (14.1.2025 for specified purposes) by The Short Selling Regulations 2025 (S.I. 2025/29), regs. 2(2)(3), 24, 25, Sch. 1 Pts. 1, **2**

C1267 S. 380 applied (1.1.2026) by The Financial Services and Markets Act 2023 (Mutual Recognition Agreement) (Switzerland) Regulations 2025 (S.I. 2025/1145), regs. 1(2), **14(9)**

C1268 S. 380 applied (with modifications) (1.1.2026) by The Financial Services and Markets Act 2023 (Mutual Recognition Agreement) (Switzerland) Regulations 2025 (S.I. 2025/1145), regs. 1(2), **13(4)**, 36(3)

C1269 S. 380(1)(2) modified (1.12.2001) by S.I. 2001/2657, **arts. 1(1)**, 20(3) (which was revoked (8.10.2001) by S.I. 2001/3083, **arts. 1(2)**, 23); S.I. 2001/3538, **art. 2(1)**
S. 380(1)(2) modified (1.12.2001) by S.I. 2001/3083, **arts. 1(2)**, 20(3); S.I. 2001/3538, **art. 2(1)**

C1270 S. 380(2) extended (with modifications) (1.12.2001) by S.I. 2001/2657, **arts. 1(1)**, 2 (which was revoked (8.10.2001) by S.I. 2001/3083, **arts. 1(2)**, 23); S.I. 2001/3538, **art. 2(1)**
S. 380(2) extended (with modifications) (1.12.2001) by S.I. 2001/3083, **arts. 1(2)**, 2; S.I. 2001/3538, **art. 2(1)**
S. 380(2) extended (1.12.2001) by S.I. 2001/3646, **arts. 1(2)**, 3(3)(a)

C1271 S. 380(3)(a) extended (with modifications) (1.12.2001) by S.I. 2001/2657, **arts. 1(1)**, 4 (which was revoked (8.10.2001) by S.I. 2001/3083, **arts. 1(2)**, 23); S.I. 2001/3538, **art. 2(1)**
S. 380(3)(a) extended (with modifications) (1.12.2001) by S.I. 2001/3083, **arts. 1(2)**, 4; S.I. 2001/3538, **art. 2(1)**

C1272 S. 380(6)(a)(iii) modified (30.1.2024 for specified purposes, 1.11.2024 in so far as not already in force) by The Securitisation Regulations 2024 (S.I. 2024/102), regs. 2(1)(e)(2), **34(7)**(8)(d) (with Sch. 3); as amended by S.I. 2024/705, regs. 1(2), 2(2)

381 Injunctions in cases of market abuse.

(1) If, on the application of the **[**F2860FCA**]**, the court is satisfied—

(a) that there is a reasonable likelihood that any person will **[**F2861contravene Article 14 (prohibition of insider dealing and of unlawful disclosure of inside information) or Article 15 (prohibition of market manipulation) of the market abuse regulation**]**, or

(b) that any person is or has **[**F2862contravened Article 14 or 15 of the market abuse regulation**]** and that there is a reasonable likelihood that the **[**F2863contravention**]** will continue or be repeated,

the court may make an order restraining (or in Scotland an interdict prohibiting) the **[**F2864contravention**]**.

(2) If on the application of the **[**F2860FCA**]** the court is satisfied—

(a) that any person is or has **[**F2865contravened Article 14 or 15 of the market abuse regulation**]**, and

(b) that there are steps which could be taken for remedying the **[**F2866contravention**]**,

the court may make an order requiring him to take such steps as the court may direct to remedy it.

(3) Subsection (4) applies if, on the application of the **[**F2860FCA**]**, the court is satisfied that any person—

(a) may be **[**F2867contravening Article 14 or 15 of the market abuse regulation**]**; or

(b) may have **[**F2868contravened Article 14 or 15 of the market abuse regulation**]**.

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(4) The court **[**F2869may**]** make an order restraining (or in Scotland an interdict prohibiting) the person concerned from disposing of, or otherwise dealing with, any assets of his which it is satisfied that he is reasonably likely to dispose of, or otherwise deal with.

(5) The jurisdiction conferred by this section is exercisable by the High Court and the Court of Session.

(6) In subsection (2), references to remedying any **[**F2870contravention**]** include references to mitigating its effect.

Textual Amendments

F2860 Word in s. 381(1)-(3) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 20(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2861 Words in s. 381(1)(a) substituted (3.7.2016) by The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **10(14)(a)(i)**

F2862 Words in s. 381(1)(b) substituted (3.7.2016) by The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **10(14)(a)(ii)**(aa)

F2863 Word in s. 381(1)(b) substituted (3.7.2016) by The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **10(14)(a)(ii)**(bb)

F2864 Word in s. 381(1) substituted (3.7.2016) by The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **10(14)(a)(iii)**

F2865 Words in s. 381(2)(a) substituted (3.7.2016) by The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **10(14)(b)(i)**

F2866 Word in s. 381(2)(b) substituted (3.7.2016) by The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **10(14)(b)(ii)**

F2867 Words in s. 381(3)(a) substituted (3.7.2016) by The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **10(14)(c)(i)**

F2868 Words in s. 381(3)(b) substituted (3.7.2016) by The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **10(14)(c)(ii)**

F2869 Word in s. 381(4) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 20(3)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2870 Word in s. 381(6) substituted (3.7.2016) by The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **10(14)(d)**

Restitution orders

382 Restitution orders.

(1) The court may, on the application of the **[**F2871appropriate regulator**]** or the Secretary of State, make an order under subsection (2) if it is satisfied that a person has contravened a relevant requirement, or been knowingly concerned in the contravention of such a requirement, and—

(a) that profits have accrued to him as a result of the contravention; or

(b) that one or more persons have suffered loss or been otherwise adversely affected as a result of the contravention.

(2) The court may order the person concerned to pay to the **[**F2872regulator concerned**]** such sum as appears to the court to be just having regard—

(a) in a case within paragraph (a) of subsection (1), to the profits appearing to the court to have accrued;

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(b) in a case within paragraph (b) of that subsection, to the extent of the loss or other adverse effect;

(c) in a case within both of those paragraphs, to the profits appearing to the court to have accrued and to the extent of the loss or other adverse effect.

(3) Any amount paid to the **[**F2873regulator concerned**]** in pursuance of an order under subsection (2) must be paid by it to such qualifying person or distributed by it among such qualifying persons as the court may direct.

(4) On an application under subsection (1) the court may require the person concerned to supply it with such accounts or other information as it may require for any one or more of the following purposes—

(a) establishing whether any and, if so, what profits have accrued to him as mentioned in paragraph (a) of that subsection;

(b) establishing whether any person or persons have suffered any loss or adverse effect as mentioned in paragraph (b) of that subsection and, if so, the extent of that loss or adverse effect; and

(c) determining how any amounts are to be paid or distributed under subsection (3).

(5) The court may require any accounts or other information supplied under subsection (4) to be verified in such manner as it may direct.

(6) The jurisdiction conferred by this section is exercisable by the High Court and the Court of Session.

(7) Nothing in this section affects the right of any person other than the **[**F2874appropriate regulator**]** or the Secretary of State to bring proceedings in respect of the matters to which this section applies.

(8) "Qualifying person" means a person appearing to the court to be someone—

(a) to whom the profits mentioned in subsection (1)(a) are attributable; or

(b) who has suffered the loss or adverse effect mentioned in subsection (1)(b).

(9) "Relevant requirement"—

(a) in relation to an application by the **[**F2875appropriate regulator**]**, means a requirement—

(i) **[**F2876which is imposed by or under this Act or by a **[**F2877qualifying provision**]** specified, or of a description specified, for the purposes of this subsection by the Treasury by order**]**; F2878...

(ii) which is imposed by or under any other Act and whose contravention constitutes an offence **[**F2879mentioned in section 402(1)**]**; F2880**[**F2881...

(iii) which is imposed by the Alternative Investment Fund Managers Regulations 2013;**][**F2882or

(iv) which is imposed by Part 7 of the Financial Services Act 2012 (offences relating to financial services) and whose contravention constitutes an offence under that Part;**]**

(b) in relation to an application by the Secretary of State, means a requirement which is imposed by or under this Act and whose contravention constitutes an offence which the Secretary of State has power to prosecute under this Act.

(10) In the application of subsection (9) to Scotland—

F2883(a) . . . . . .

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(b) in paragraph (b) omit "which the Secretary of State has power to prosecute under this Act".

[F2884(11) The PRA is the "appropriate regulator" in the case of a contravention of—

(a) a requirement that is imposed by the PRA under any provision of this Act,

(b) a requirement under section 56(6) where the authorised person concerned is a PRA-authorised person and the prohibition order concerned is made by the PRA, or

(c) a requirement under section 59(1) or (2) where the authorised person concerned is a PRA-authorised person and the approval concerned falls to be given by the PRA.

(12) In the case of a contravention of a requirement that is imposed by a **[**F2885qualifying provision**]**, "the appropriate regulator" is whichever of the PRA or the FCA (or both) is specified by the Treasury by order in relation to the **[**F2885qualifying provision**]** for the purposes of this section.

(13) In the case of a contravention of a requirement where the contravention constitutes an offence under this Act, the "appropriate regulator" is the regulator which has power to prosecute the offence (see section 401).

(14) The FCA is the "appropriate regulator" in the case of a contravention of any other requirement.

(15) The Treasury may by order amend the definition of "appropriate regulator".**]**

Textual Amendments

F2871 Words in s. 382(1) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 21(2)** (with Sch. 20); S.I. 2013/113, art. 2(1)(b), Sch. Pt. 2; S.I. 2013/423, art. 3, Sch.

F2872 Words in s. 382(2) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 21(3)** (with Sch. 20); S.I. 2013/113, art. 2(1)(b), Sch. Pt. 2; S.I. 2013/423, art. 3, Sch.

F2873 Words in s. 382(3) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 21(3)** (with Sch. 20); S.I. 2013/113, art. 2(1)(b), Sch. Pt. 2; S.I. 2013/423, art. 3, Sch.

F2874 Words in s. 382(7) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 21(4)** (with Sch. 20); S.I. 2013/113, art. 2(1)(b), Sch. Pt. 2; S.I. 2013/423, art. 3, Sch.

F2875 Words in s. 382(9)(a) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 21(5)(a)** (with Sch. 20); S.I. 2013/113, art. 2(1)(b), Sch. Pt. 2; S.I. 2013/423, art. 3, Sch.

F2876 S. 382(9)(a)(i) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 21(5)(b)** (with Sch. 20); S.I. 2013/113, art. 2(1)(b), Sch. Pt. 2; S.I. 2013/423, art. 3, Sch.

F2877 Words in s. 382(9)(a)(i) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **71(2)**; 2020 c. 1, Sch. 5 para. 1(1)

F2878 Word in s. 382(9)(a) omitted (22.7.2013) by virtue of The Alternative Investment Fund Managers Regulations 2013 (S.I. 2013/1773), reg. 1, **Sch. 1 para. 28(a)**

F2879 Words in s. 382(9)(a)(ii) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 21(5)(c)** (with Sch. 20); S.I. 2013/113, art. 2(1)(b), Sch. Pt. 2; S.I. 2013/423, art. 3, Sch.

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F2880 Word in s. 382(9)(a)(ii) omitted (1.4.2014) by virtue of Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 10 para. 3(3)**; S.I. 2014/377, art. 2(2)(c)

F2881 S. 382(9)(a)(iii) and word inserted (22.7.2013) by The Alternative Investment Fund Managers Regulations 2013 (S.I. 2013/1773), reg. 1, **Sch. 1 para. 28(b)**

F2882 S. 382(9)(a)(iv) and word inserted (1.4.2014) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 10 para. 3(3)**; S.I. 2014/377, art. 2(2)(c)

F2883 S. 382(10)(a) omitted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by virtue of Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 21(6)** (with Sch. 20); S.I. 2013/113, art. 2(1)(b), Sch. Pt. 2; S.I. 2013/423, art. 3, Sch.

F2884 S. 382(11)-(15) inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 21(7)** (with Sch. 20); S.I. 2013/113, art. 2(1)(b), Sch. Pt. 2; S.I. 2013/423, art. 3, Sch.

F2885 Words in s. 382(12) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **71(3)**; 2020 c. 1, Sch. 5 para. 1(1)

Modifications etc. (not altering text)

C1273 S. 382 extended (with modifications) (1.12.2001) by S.I. 2001/2657, **arts. 1(1)**, 2 (which was revoked (8.10.2001) by S.I. 2001/3083, **arts. 1(2)**, 23); S.I. 2001/3538, **art. 2(1)**
S. 382 extended (with modifications) (1.12.2001) by S.I. 2001/3083, **arts. 1(2)**, 2; S.I. 2001/3538, **art. 2(1)**

C1274 S. 382 modified (18.7.2002 for certain purposes and 21.8.2002 otherwise) by The Electronic Commerce Directive (Financial Services and Markets) Regulations 2002 (S.I. 2002/1775), regs. 1, **12(2)**

C1275 S. 382 applied (with modifications) (1.4.2013) by The Financial Services Act 2012 (Transitional Provisions) (Enforcement) Order 2013 (S.I. 2013/441), arts. 1(1), **16(2)**

C1276 S. 382 applied (with modifications) (1.4.2013) by The Financial Services Act 2012 (Transitional Provisions) (Enforcement) Order 2013 (S.I. 2013/441), arts. 1(1), **18(3)**

C1277 S. 382 applied (with modifications) (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services Act 2012 (Consumer Credit) Order 2013 (S.I. 2013/1882), arts. 1(1), **3(9)**

C1278 S. 382 modified (20.4.2015 for specified purposes, 21.12.2015 for specified purposes, 21.3.2016 in so far as not already in force) by The Mortgage Credit Directive Order 2015 (S.I. 2015/910), arts. 1(5), **23(1)(c)** (with Pt. 4)

C1279 S. 382 applied (with modifications) (31.5.2021) by The Civil Liability Act 2018 (Financial Conduct Authority) (Whiplash) Regulations 2021 (S.I. 2021/594), regs. 1, **2(7)(b)**

C1280 S. 382 applied (8.6.2023 for specified purposes, 7.10.2023 in so far as not already in force) by The Financial Services and Markets Act 2000 (Financial Promotion) (Amendment) Order 2023 (S.I. 2023/612), art. 1(2), **Sch. para. 1(q)** (with art. 11)

C1281 S. 382 applied (with modifications) (14.1.2025 for specified purposes) by The Short Selling Regulations 2025 (S.I. 2025/29), regs. 2(2)(3), 24, 25, Sch. 1 Pts. 1, **2**

C1282 S. 382(3)-(5)(8) applied (with modifications) (26.11.2001) by S.I. 2001/3755, **regs. 1**, 9(7)(9) (with regs. 39, 45)

C1283 S. 382(9)(a)(iii) modified (30.1.2024 for specified purposes, 1.11.2024 in so far as not already in force) by The Securitisation Regulations 2024 (S.I. 2024/102), regs. 2(1)(e)(2), **34(7)**(8)(e) (with Sch. 3); as amended by S.I. 2024/705, regs. 1(2), 2(2)

383 Restitution orders in cases of market abuse.

[F2886(1) The court may, on the application of the FCA, make an order under subsection (4) if it is satisfied that—

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(a) a person ("the person concerned") has contravened Article 14 (prohibition of insider dealing and of unlawful disclosure of inside information) or Article 15 (prohibition of market manipulation) of the market abuse regulation; and

(b) the condition mentioned in subsection (2) is fulfilled.**]**

(2) The condition is—

(a) that profits have accrued to the person concerned as a result; or

(b) that one or more persons have suffered loss or been otherwise adversely affected as a result.

F2887(3) . . . . . .

(4) The court may order the person concerned to pay to the **[**F2888FCA**]** such sum as appears to the court to be just having regard—

(a) in a case within paragraph (a) of subsection (2), to the profits appearing to the court to have accrued;

(b) in a case within paragraph (b) of that subsection, to the extent of the loss or other adverse effect;

(c) in a case within both of those paragraphs, to the profits appearing to the court to have accrued and to the extent of the loss or other adverse effect.

(5) Any amount paid to the **[**F2889FCA**]** in pursuance of an order under subsection (4) must be paid by it to such qualifying person or distributed by it among such qualifying persons as the court may direct.

(6) On an application under subsection (1) the court may require the person concerned to supply it with such accounts or other information as it may require for any one or more of the following purposes—

(a) establishing whether any and, if so, what profits have accrued to him as mentioned in subsection (2)(a);

(b) establishing whether any person or persons have suffered any loss or adverse effect as mentioned in subsection (2)(b) and, if so, the extent of that loss or adverse effect; and

(c) determining how any amounts are to be paid or distributed under subsection (5).

(7) The court may require any accounts or other information supplied under subsection (6) to be verified in such manner as it may direct.

(8) The jurisdiction conferred by this section is exercisable by the High Court and the Court of Session.

(9) Nothing in this section affects the right of any person other than the **[**F2890FCA**]** to bring proceedings in respect of the matters to which this section applies.

(10) "Qualifying person" means a person appearing to the court to be someone—

(a) to whom the profits mentioned in paragraph (a) of subsection (2) are attributable; or

(b) who has suffered the loss or adverse effect mentioned in paragraph (b) of that subsection.

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Textual Amendments

F2886 S. 383(1) substituted (3.7.2016) by The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **10(15)(a)**

F2887 S. 383(3) omitted (3.7.2016) by virtue of The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **10(15)(b)**

F2888 Word in s. 383(4) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 22** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2889 Word in s. 383(5) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 22** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2890 Word in s. 383(9) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 22** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

Restitution required by ***[****F2891****FCA or PRA****]***

Textual Amendments

F2891 Words in s. 384 cross-heading substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 23(10)** (with Sch. 20); S.I. 2013/113, art. 2(1)(b), Sch. Pt. 2; S.I. 2013/423, art. 3, Sch.

384 Power of [F2892FCA or PRA] to require restitution.

(1) **[**F2893The appropriate regulator**]** may exercise the power in subsection (5) if it is satisfied that an authorised person **[**F2894or recognised investment exchange**]** ("the person concerned") has contravened a relevant requirement, or been knowingly concerned in the contravention of such a requirement, and—

(a) that profits have accrued to him as a result of the contravention; or

(b) that one or more persons have suffered loss or been otherwise adversely affected as a result of the contravention.

[F2895(2) The FCA may exercise the power in subsection (5) if it is satisfied that—

(a) a person ("the person concerned") has contravened Article 14 (prohibition of insider dealing and of unlawful disclosure of inside information) or Article 15 (prohibition of market manipulation) of the market abuse regulation; and

(b) the condition mentioned in subsection (3) is fulfilled.**]**

(3) The condition is—

(a) that profits have accrued to the person concerned as a result of the **[**F2896contravention of Article 14 or 15 of the market abuse regulation**]**; or

(b) that one or more persons have suffered loss or been otherwise adversely affected as a result of the **[**F2896contravention of Article 14 or 15 of the market abuse regulation**]**.

F2897(4) . . . . . .

(5) The power referred to in subsections (1) and (2) is a power to require the person concerned, in accordance with such arrangements as the **[**F2898regulator exercising the power ("the regulator concerned")**]** considers appropriate, to pay to the appropriate

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person or distribute among the appropriate persons such amount as appears to the **[**F2899regulator concerned**]** to be just having regard—

(a) in a case within paragraph (a) of subsection (1) or (3), to the profits appearing to the **[**F2899regulator concerned**]** to have accrued;

(b) in a case within paragraph (b) of subsection (1) or (3), to the extent of the loss or other adverse effect;

(c) in a case within paragraphs (a) and (b) of subsection (1) or (3), to the profits appearing to the **[**F2899regulator concerned**]** to have accrued and to the extent of the loss or other adverse effect.

(6) "Appropriate person" means a person appearing to the **[**F2900regulator concerned**]** to be someone—

(a) to whom the profits mentioned in paragraph (a) of subsection (1) or (3) are attributable; or

(b) who has suffered the loss or adverse effect mentioned in paragraph (b) of subsection (1) or (3).

(7) "Relevant requirement" means—

(a) a requirement imposed by or under this Act **[**F2901or by **[**F2902a **[**F2903qualifying provision**]** specified, or of a description specified, for the purposes of this subsection by the Treasury by order**]]**; F2904...

(b) a requirement which is imposed by or under any other Act and whose contravention constitutes an offence **[**F2905mentioned in section 402(1)**][**F2906; F2907...

(c) a requirement imposed by the Alternative Investment Fund Managers Regulations 2013**]**; **[**F2908**[**F2909or**]**

(d) a requirement which is imposed by Part 7 of the Financial Services Act 2012 (offences relating to financial services) and whose contravention constitutes an offence under **[**F2910that Part.**][**F2910that Part; or**]]**

[F2911(e) a requirement imposed by or under Chapter 2 of Part 2 of the Financial Services and Markets Act 2000 (Cryptoassets) Regulations 2026.**]**

F2912(8) . . . . . .

[F2913(9) The PRA is the "appropriate regulator" in the case of a contravention of—

(a) a requirement that is imposed by the PRA under any provision of this Act,

(b) a requirement under section 56(6) where the authorised person concerned is a PRA-authorised person and the prohibition order concerned is made by the PRA, or

(c) a requirement under section 59(1) or (2) where the authorised person concerned is a PRA-authorised person and the approval concerned falls to be given by the PRA.

(10) In the case of a contravention of a requirement that is imposed by a **[**F2914qualifying provision**]**, "the appropriate regulator" is whichever of the PRA or the FCA (or both) is specified by the Treasury by order in relation to the **[**F2914qualifying provision**]** for the purposes of this section.

(11) In the case of a contravention of a requirement where the contravention constitutes an offence under this Act, the "appropriate regulator" is the regulator which has power to prosecute the offence (see section 401).

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(12) The FCA is the "appropriate regulator" in the case of a contravention of any other requirement.

(13) The Treasury may by order amend the definition of "appropriate regulator".**]**

Textual Amendments

F2892 Words in s. 384 heading substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 23(9)** (with Sch. 20); S.I. 2013/113, art. 2(1)(b), Sch. Pt. 2; S.I. 2013/423, art. 3, Sch.

F2893 Words in s. 384(1) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 23(2)(a)** (with Sch. 20); S.I. 2013/113, art. 2(1)(b), Sch. Pt. 2; S.I. 2013/423, art. 3, Sch.

F2894 Words in s. 384(1) inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 23(2)(b)** (with Sch. 20); S.I. 2013/113, art. 2(1)(b), Sch. Pt. 2; S.I. 2013/423, art. 3, Sch.

F2895 S. 384(2) substituted (3.7.2016) by The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **10(16)(a)**

F2896 Words in s. 384(3) substituted (3.7.2016) by The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **10(16)(b)**

F2897 S. 384(4) omitted (3.7.2016) by virtue of The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **10(16)(c)**

F2898 Words in s. 384(5) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 23(4)(a)** (with Sch. 20); S.I. 2013/113, art. 2(1)(b), Sch. Pt. 2; S.I. 2013/423, art. 3, Sch.

F2899 Words in s. 384(5) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 23(4)(b)** (with Sch. 20); S.I. 2013/113, art. 2(1)(b), Sch. Pt. 2; S.I. 2013/423, art. 3, Sch.

F2900 Words in s. 384(6) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 23(5)** (with Sch. 20); S.I. 2013/113, art. 2(1)(b), Sch. Pt. 2; S.I. 2013/423, art. 3, Sch.

F2901 Words in s. 384(7)(a) inserted (1.4.2007 for certain purposes and 1.11.2007 otherwise) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2007 (S.I. 2007/126), regs. 1(2), 3(5), **Sch. 5 para. 15**

F2902 Words in s. 384(7)(a) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 23(6)(a)** (with Sch. 20); S.I. 2013/113, art. 2(1)(b), Sch. Pt. 2; S.I. 2013/423, art. 3, Sch.

F2903 Words in s. 384(7)(a) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **72(2)**; 2020 c. 1, Sch. 5 para. 1(1)

F2904 Word in s. 384(7) omitted (22.7.2013) by virtue of The Alternative Investment Fund Managers Regulations 2013 (S.I. 2013/1773), reg. 1, **Sch. 1 para. 29(a)**

F2905 Words in s. 384(7)(b) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 23(6)(b)** (with Sch. 20); S.I. 2013/113, art. 2(1)(b), Sch. Pt. 2; S.I. 2013/423, art. 3, Sch.

F2906 S. 384(7)(c) and word inserted (22.7.2013) by The Alternative Investment Fund Managers Regulations 2013 (S.I. 2013/1773), reg. 1, **Sch. 1 para. 29(b)**

F2907 Word in s. 384(7)(b) omitted (1.4.2014) by virtue of Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 10 para. 3(4)**; S.I. 2014/377, art. 2(2)(c)

F2908 S. 384(7)(d) and word inserted (1.4.2014) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 10 para. 3(4)**; S.I. 2014/377, art. 2(2)(c)

F2909 Word in s. 384(7)(c) omitted (25.2.2026 for specified purposes) by virtue of The Financial Services and Markets Act 2000 (Cryptoassets) Regulations 2026 (S.I. 2026/102), regs. 1(2)(3), **41(5)(a)** (with regs. 53-56)

F2910 Words in s. 384(7)(d) substituted (25.2.2026 for specified purposes) by The Financial Services and Markets Act 2000 (Cryptoassets) Regulations 2026 (S.I. 2026/102), regs. 1(2)(3), **41(5)(b)** (with regs. 53-56)

F2911 S. 384(7)(e) inserted (25.2.2026 for specified purposes) by The Financial Services and Markets Act 2000 (Cryptoassets) Regulations 2026 (S.I. 2026/102), regs. 1(2)(3), **41(5)(c)** (with regs. 53-56)

F2912 S. 384(8) omitted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by virtue of Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 23(7)** (with Sch. 20); S.I. 2013/113, art. 2(1)(b), Sch. Pt. 2; S.I. 2013/423, art. 3, Sch.

F2913 S. 384(9)-(13) inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 23(8)** (with Sch. 20); S.I. 2013/113, art. 2(1)(b), Sch. Pt. 2; S.I. 2013/423, art. 3, Sch.

F2914 Words in s. 384(10) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **72(3)**; 2020 c. 1, Sch. 5 para. 1(1)

Modifications etc. (not altering text)

C1284 S. 384 modified (18.7.2002 for certain purposes and 21.8.2002 otherwise) by The Electronic Commerce Directive (Financial Services and Markets) Regulations 2002 (S.I. 2002/1775), regs. 1, **12(1)**

C1285 S. 384 applied (with modifications) (1.4.2013) by The Financial Services Act 2012 (Transitional Provisions) (Enforcement) Order 2013 (S.I. 2013/441), arts. 1(1), **18(3)**

C1286 S. 384 applied (with modifications) (1.4.2013) by The Financial Services Act 2012 (Transitional Provisions) (Enforcement) Order 2013 (S.I. 2013/441), arts. 1(1), **17(2)**

C1287 S. 384 applied (with modifications) (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services Act 2012 (Consumer Credit) Order 2013 (S.I. 2013/1882), arts. 1(1), **3(10)**

C1288 S. 384 modified by S.I. 2002/1775, reg. 12(1)(1A) (as substituted (24.3.2015) by The Electronic Commerce Directive (Financial Services and Markets) (Amendment) Order 2015 (S.I. 2015/852), arts. 1(2), **2(3)**)

C1289 S. 384 modified (20.4.2015 for specified purposes, 21.12.2015 for specified purposes, 21.3.2016 in so far as not already in force) by The Mortgage Credit Directive Order 2015 (S.I. 2015/910), arts. 1(5), **23(1)(d)** (with Pt. 4)

C1290 S. 384 modified (E.W.S.) (29.11.2018 for specified purposes, 1.4.2019 in so far as not already in force) by The Financial Services and Markets Act 2000 (Claims Management Activity) Order 2018 (S.I. 2018/1253), arts. 1(2)(3), **82(13)**

C1291 S. 384 applied (with modifications) (31.5.2021) by The Civil Liability Act 2018 (Financial Conduct Authority) (Whiplash) Regulations 2021 (S.I. 2021/594), regs. 1, **2(7)(c)**

C1292 S. 384 applied (with modifications) (8.6.2023 for specified purposes, 7.10.2023 in so far as not already in force) by The Financial Services and Markets Act 2000 (Financial Promotion) (Amendment) Order 2023 (S.I. 2023/612), art. 1(2), **Sch. para. 23** (with art. 11)

C1293 S. 384 applied (with modifications) (22.11.2024 for specified purposes) by The Consumer Composite Investments (Designated Activities) Regulations 2024 (S.I. 2024/1198), reg. 2(1)(c)(2), **Sch. 1 para. 2**

C1294 S. 384 applied (with modifications) (14.1.2025 for specified purposes) by The Short Selling Regulations 2025 (S.I. 2025/29), regs. 2(2)(3), 24, 25, Sch. 1 Pts. 1, **2**

C1295 S. 384 modified (15.7.2025 for specified purposes) by The Financial Services and Markets Act 2000 (Regulated Activities etc.) (Amendment) Order 2025 (S.I. 2025/859), arts. 1(2)(3), **10(6)**

C1296 S. 384(5) extended (with modifications) (1.12.2001) by S.I. 2001/2657, **arts. 1(1)**, 3 (which was revoked (8.10.2001) by S.I. 2001/3083, **arts. 1(2)**, 23); S.I. 2001/3538, **art. 2(1)**

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S. 384(5) extended (with modifications) (1.12.2001) by S.I. 2001/3083, **arts. 1(2)**, 3; S.I. 2001/3538, **art. 2(1)**

385 Warning notices.

(1) If **[**[F2915]a regulator**]** proposes to exercise the power under section 384(5) in relation to a person, it must give him a warning notice.

(2) A warning notice under this section must specify the amount which **[**[F2916]the regulator**]** proposes to require the person concerned to pay or distribute as mentioned in section 384(5).

Textual Amendments

F2915 Words in s. 385(1) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 24(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2916 Words in s. 385(2) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 24(3)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

Modifications etc. (not altering text)

C1297 S. 385 excluded (1.12.2001) by S.I. 2001/3592, **arts. 1(2)**, 61(6) (with art. 23(2))

C1298 S. 385 applied (31.5.2021) by The Civil Liability Act 2018 (Financial Conduct Authority) (Whiplash) Regulations 2021 (S.I. 2021/594), regs. 1, **2(7)(d)**

C1299 Ss. 385-391 applied (8.6.2023 for specified purposes, 7.10.2023 in so far as not already in force) by The Financial Services and Markets Act 2000 (Financial Promotion) (Amendment) Order 2023 (S.I. 2023/612), art. 1(2), **Sch. para. 1(r)** (with art. 11)

C1300 S. 385 applied (with modifications) (14.1.2025 for specified purposes) by The Short Selling Regulations 2025 (S.I. 2025/29), regs. 2(2)(3), 24, 25, Sch. 1 Pts. 1, **2**

386 Decision notices.

(1) If the **[**[F2917]regulator**]** decides to exercise the power under section 384(5), it must give a decision notice to the person in relation to whom the power is exercised.

(2) The decision notice must—

(a) state the amount that he is to pay or distribute as mentioned in section 384(5);

(b) identify the person or persons to whom that amount is to be paid or among whom that amount is to be distributed; and

(c) state the arrangements in accordance with which the payment or distribution is to be made.

(3) If the **[**[F2918]regulator**]** decides to exercise the power under section 384(5), the person in relation to whom it is exercised may refer the matter to the Tribunal.

Textual Amendments

F2917 Word in s. 386(1) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 25** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2918 Word in s. 386(3) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 25** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

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Modifications etc. (not altering text)

C1299 Ss. 385-391 applied (8.6.2023 for specified purposes, 7.10.2023 in so far as not already in force) by The Financial Services and Markets Act 2000 (Financial Promotion) (Amendment) Order 2023 (S.I. 2023/612), art. 1(2), **Sch. para. 1(r)** (with art. 11)

C1301 S. 386 excluded (1.12.2001) by S.I. 2001/3592, **arts. 1(2)**, 61(6) (with art. 23(2))

C1302 S. 386 applied (31.5.2021) by The Civil Liability Act 2018 (Financial Conduct Authority) (Whiplash) Regulations 2021 (S.I. 2021/594), regs. 1, **2(7)(e)**

C1303 S. 386 applied (with modifications) (14.1.2025 for specified purposes) by The Short Selling Regulations 2025 (S.I. 2025/29), regs. 2(2)(3), 24, 25, Sch. 1 Pts. 1, **2**

C1304 S. 386(1) modified (1.12.2001) by S.I. 2001/3592, **arts. 1(2)**, 70(2) (with art. 23(2))

PART XXVI

NOTICES

Modifications etc. (not altering text)

C1305 Pt. 26 (ss. 387-396) applied (with modifications) (17.8.2001 for certain purposes otherwise 1.12.2001) by 1992 c. 40, **s. 58A(6)(8)** (as substituted (17.8.2001 for certain purposes otherwise 1.12.2001) by 2001/2617, arts. 2, 8, 13(1), Sch. 3 Pt. I para. 75 (with art. 13(3), Sch.5)); S.I. 2001/3538, **art. 2(1)**
Pt. 26 (ss. 387-396) applied (with modifications) (17.8.2001 for certain purposes otherwise 1.12.2001) by 1992 c. 40, **s. 85(4B)** (as inserted (17.8.2001 for certain purposes otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 8, 13(1), Sch. 3 Pt. I para. 95 (with art. 13(3), **Sch. 5**)); S.I. 2001/3538, **art. 2(1)**
Pt. 26 (ss. 387-396) applied (with modifications) (17.8.2001 for certain purposes otherwise 1.12.2001) by 1992 c. 40, **s. 36A(5C)(5D)** (as substituted (17.8.2001 for certain purposes otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 8, 13(1), Sch. 3 Pt. II para. 142(c) (with art. 13(3), **Sch. 5**)); S.I. 2001/3538, **art. 2(1)**
Pt. 26 (ss. 387-396) applied (with modifications) (17.8.2001 for certain purposes otherwise 1.12.2001) by 1986 c. 53, **s. 46A(6)(8)** (as substituted (17.8.2001 for certain purposes otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 8, 13(1), Sch. 3 Pt. II para. 148 (with art. 13(3), **Sch. 5**)); S.I. 2001/3538, **art. 2(1)**
Pt. 26 (ss. 387-396) applied (with modifications) (17.8.2001 for certain purposes otherwise 1.12.2001) by 1986 c. 53, **s. 93(6A)** (as substituted (17.8.2001 for certain purposes otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 8, 13(1), Sch. 3 Pt. II para. 177(d) (with art. 13(3), **Sch. 5**)); S.I. 2001/3538, **art. 2**

C1306 Pt. 26 applied (6.3.2008) by The Regulated Covered Bonds Regulations 2008 (S.I. 2008/346), **reg. 44**

C1307 Pt. 26 applied (with modifications) (1.5.2009 for certain purposes and 1.11.2009 otherwise) by The Payment Services Regulations 2009 (S.I. 2009/209), regs. 1(2)(b)(xiii)(c), 95, **Sch. 5 para. 7** (with reg. 3) (as amended (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 155(6)(g)(h)** (with Sch. 2 para. 156))

C1308 Pt. 26 applied (with modifications) (11.2.2010) by The Cross-Border Payments in Euro Regulations 2010 (S.I. 2010/89), reg. 19, **Sch. para. 5**

C1309 Pt. 26 applied (with modifications) (7.6.2010) by The Credit Rating Agencies Regulations 2010 (S.I. 2010/906), **reg. 30**

C1310 Pt. 26 applied (with modifications) (9.2.2011 for certain purposes and 30.4.2011 otherwise) by The Electronic Money Regulations 2011 (S.I. 2011/99), regs. 1(2)(a)(xiv)(b), 62, **Sch. 3 para. 8** (with reg. 3) (as amended (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), Sch. 2 para. 196(5)(h))

C1311 Pt. 26 applied (with modifications) (15.1.2013) by The Payments in Euro (Credit Transfers and Direct Debits) Regulations 2012 (S.I. 2012/3122), reg. 1, **Sch. para. 5** (as amended (1.4.2013) by The

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Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), Sch. 2 para. 248(6)(n)**(o)**)

C1312 Pt. 26 applied (with modifications) (E.W.) (9.7.2013) by The Legal Aid, Sentencing and Punishment of Offenders Act 2012 (Referral Fees) Regulations 2013 (S.I. 2013/1635), regs. 1, **30(1)**

C1313 Pt. 26 applied (22.7.2013) by The Alternative Investment Fund Managers Regulations 2013 (S.I. 2013/1773), regs. 1, **70(2)**

C1314 Pt. 26 applied (with modifications) (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services Act 2012 (Consumer Credit) Order 2013 (S.I. 2013/1882), arts. 1(1), **3(11)**

C1315 Pt. 26 applied (with modifications) (12.12.2014) by The Immigration Act 2014 (Bank Accounts) Regulations 2014 (S.I. 2014/3085), regs. 1, **29**

C1316 Pt. 26 applied (with modifications) by S.I. 2002/1775, **reg. 11C(5)** (as inserted (24.3.2015) by The Electronic Commerce Directive (Financial Services and Markets) (Amendment) Order 2015 (S.I. 2015/852), arts. 1(2), **2(2)**)

C1317 Pt. 26 applied (20.4.2015 for specified purposes, 21.12.2015 for specified purposes, 21.3.2016 in so far as not already in force) by The Mortgage Credit Directive Order 2015 (S.I. 2015/910), arts. 1(5), **24(2)** (with Pt. 4)

C1318 Pt. 26 applied (with modifications) (1.1.2016) by The Small and Medium Sized Business (Finance Platforms) Regulations 2015 (S.I. 2015/1946), regs. 1(2), **41**

C1319 Pt. 26 applied (with modifications) (1.1.2016) by The Small and Medium Sized Business (Credit Information) Regulations 2015 (S.I. 2015/1945), regs. 1(2), **44**

C1320 Pt. 26 applied (with modifications) (13.7.2016) by The Financial Services and Markets Act 2000 (Transparency of Securities Financing Transactions and of Reuse) Regulations 2016 (S.I. 2016/715), regs. 1(2), **19**

C1321 Pt. 26 applied (with modifications) (18.9.2016) by The Payment Accounts Regulations 2015 (S.I. 2015/2038), reg. 1(2)(b), **Sch. 7 para. 4**

C1322 Pt. 26 modified (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 1 para. 22** (with reg. 7)

C1323 Pt. 26 applied (with modifications) (3.7.2017 for specified purposes, 3.1.2018 in so far as not already in force, 3.1.2018 in so far as not already in force) by The Data Reporting Services Regulations 2017 (S.I. 2017/699), regs. 1(2)(a)(b), **37**

C1324 Pt. 26 applied (with modifications) (13.10.2017) by The Payment Services Regulations 2017 (S.I. 2017/752), reg. 1(3)(c), **Sch. 6 para. 10** (with reg. 3)

C1325 Pt. 26 applied (with modifications) (1.1.2018) by The Packaged Retail and Insurance-based Investment Products Regulations 2017 (S.I. 2017/1127), reg. 1, **Sch. 1 para. 6**

C1326 Pt. 26 applied (with modifications) (27.2.2018) by The Financial Services and Markets Act 2000 (Benchmarks) Regulations 2018 (S.I. 2018/135), regs. 1(2), **23**

C1327 Pt. 26 applied (with modifications) (1.1.2019) by The Securitisation Regulations 2018 (S.I. 2018/1288), reg. 1, **Sch. 1 para. 7** (with Sch. 1 paras. 13, 14)

C1328 Pt. 26 applied by S.I. 2018/1149, **reg. 56(4)** (as inserted (1.3.2019) by The Financial Services Contracts (Transitional and Saving Provision) (EU Exit) Regulations 2019 (S.I. 2019/405), regs. 1(2), **3**)

C1329 Pt. 26 applied by S.I. 2018/1201, reg. 34(3) (as inserted (1.3.2019) by The Financial Services Contracts (Transitional and Saving Provision) (EU Exit) Regulations 2019 (S.I. 2019/405), regs. 1(2), **10(3)**)

C1330 Pt. 26 applied by S.I. 2018/1201, **Sch. 3 para. 12J(3)** (as inserted (1.3.2019) by The Financial Services Contracts (Transitional and Saving Provision) (EU Exit) Regulations 2019 (S.I. 2019/405), regs. 1(2), **10(2)**)

C1331 Pt. 26 applied (with modifications) (10.6.2019) by The Proxy Advisors (Shareholders Rights) Regulations 2019 (S.I. 2019/926), regs. 1, **20**, 26 (as amended by S.I. 2020/628, regs. 1(4), **15(6)**)

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C1332 Pt. 26 applied (with modifications) (31.12.2020) by The Credit Rating Agencies (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/266), regs. 1(3), **19(1)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

C1333 Pt. 26 applied (31.12.2020) by The Electronic Commerce and Solvency 2 (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/1361), regs. 1(2), **16(4)** (as amended by S.I. 2019/1390, regs. 1(2), 6); 2020 c. 1, Sch. 5 para. 1(1)

C1334 Pt. 26 applied in part (with modifications) (31.12.2020) by The Transparency of Securities Financing Transactions and of Reuse (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/542), regs. 1, **37** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

C1335 Pt. 26 applied in part (with modifications) (31.12.2020) by The Over the Counter Derivatives, Central Counterparties and Trade Repositories (Amendment, etc., and Transitional Provision) (EU Exit) Regulations 2019 (S.I. 2019/335), regs. 1(1), **76** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

C1336 Pt. 26 applied in part (with modifications) (30.1.2024 for specified purposes) by The Securitisation Regulations 2024 (S.I. 2024/102), reg. 2(1)(e)(2), **Sch. 1 para. 12** (with reg. 52(3), Sch. 3)

C1337 Pt. 26 applied (with modifications) (5.4.2024) by The Data Reporting Services Regulations 2024 (S.I. 2024/107), regs. 1(2), **23**; S.I. 2023/1382, **reg. 4(c)**

C1338 Pt. 26 applied in part (with modifications) (30.1.2024 for specified purposes, 1.11.2024 in so far as not already in force) by The Securitisation Regulations 2024 (S.I. 2024/102), reg. 2(1)(e)(2), **Sch. 1 para. 12** (with reg. 52(3), Sch. 3); as amended by S.I. 2024/705, regs. 1(2), **2(2)**

C1339 Pt. 26 applied (with modifications) (1.1.2026) by The Financial Services and Markets Act 2023 (Mutual Recognition Agreement) (Switzerland) Regulations 2025 (S.I. 2025/1145), regs. 1(2), **32(1)(2)**

C1340 Pt. 26 applied (25.2.2026 for specified purposes) by The Financial Services and Markets Act 2000 (Cryptoassets) Regulations 2026 (S.I. 2026/102), regs. 1(2)(3), **59(8)** (with regs. 53-56)

Warning notices

387 Warning notices.

(1) A warning notice must—

(a) state the action which the **[**F2919regulator giving the notice ("the regulator concerned")**]** proposes to take;

(b) be in writing;

(c) give reasons for the proposed action;

(d) state whether section 394 applies; and

(e) if that section applies, describe its effect and state whether any secondary material exists to which the person concerned must be allowed access under it.

[F2920(1A) Where the PRA is the regulator concerned and the FCA proposes to refuse consent for the purposes of section 55F, 55I or 59 or to give conditional consent as mentioned in section 55F(5) **[**F2921, 55I(8) or 61(2D)**]**, the warning notice given by the PRA must—

(a) state that fact, and

(b) give the reasons for the FCA's proposal.**]**

(2) **[**F2922A warning**]** notice must specify a reasonable period (which may not be less than **[**F292314 days**]**) within which the person to whom it is given may make representations to the **[**F2924regulator concerned**]**.

(3) **[**F2925The regulator concerned**]** may extend the period specified in the notice.

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[F2926(3A) Where the PRA receives any representations in response to a warning notice given by it under section 55X(1) or (2) or 62(2) in a case falling within subsection (1A) it must—

(a) if the representations are in writing, give a copy to the FCA, or

(b) if they are not in writing and have not been given directly to the FCA by the person making them, provide the FCA with a record of them.**]**

(4) **[**F2927The regulator concerned**]** must then decide, within a reasonable period, whether to give the person concerned a decision notice.

Textual Amendments

F2919 Words in s. 387(1)(a) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 26(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2920 S. 387(1A) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 26(3)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2921 Words in s. 387(1A) substituted (7.3.2016) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 3 para. 12**; S.I. 2015/490, art. 2(1)(b) (with savings and transitional provisions in S.I. 2015/492 (as amended by S.I. 2015/1660))

F2922 Words in s. 387(2) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 26(4)(a)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2923 Words in s. 387(2) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 26(4)(b)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2924 Words in s. 387(2) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 26(4)(c)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2925 Words in s. 387(3) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 26(5)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2926 S. 387(3A) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 26(6)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2927 Words in s. 387(4) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 26(7)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

Modifications etc. (not altering text)

C1299 Ss. 385-391 applied (8.6.2023 for specified purposes, 7.10.2023 in so far as not already in force) by The Financial Services and Markets Act 2000 (Financial Promotion) (Amendment) Order 2023 (S.I. 2023/612), art. 1(2), **Sch. para. 1(r)** (with art. 11)

C1341 S. 387 applied (1.12.2001) by S.I. 2001/1228, **regs. 1(2)(c)**, 8(a) (with reg. 1(2)(3)); S.I. 2001/3538, **art. 2(1)**

C1342 S. 387 applied (N.I.) (1.11.2004) by Open-Ended Investment Companies Regulations (Northern Ireland) 2004 (S.R. 2004/335), regs. 1(1)(b), **8(a)** (with reg. 1(2))

C1343 S. 387 applied (1.4.2013) by The Financial Services and Markets Act 2000 (Over the Counter Derivatives, Central Counterparties and Trade Repositories) Regulations 2013 (S.I. 2013/504), regs. 1(2), **56** (with regs. 52-58)

C1344 S. 387 excluded (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No. 2) Order 2013 (S.I. 2013/1881), arts. 1(2)(6), 37(3)(a), 39(2)(a)(ii), 44(2)

C1345 S. 387 applied (with modifications) by 2009 c. 1, s. 83ZT(2)-(4) (as inserted (1.1.2015) by The Bank Recovery and Resolution Order 2014 (S.I. 2014/3329), arts. 1(2), **97**)

C1346 S. 387 applied (26.6.2017) by The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (S.I. 2017/692), regs. 1(2), **81(4)** (with regs. 8, 15, 81(5))

C1347 S. 387 applied (31.5.2021) by The Civil Liability Act 2018 (Financial Conduct Authority) (Whiplash) Regulations 2021 (S.I. 2021/594), regs. 1, **2(8)(a)**

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C1348 S. 387 applied (1.7.2021) by Regulation (EU) No. 600/2014, Art. 49B(5) (as inserted by Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 10 para. 9**; S.I. 2021/739, reg. 3(o))
C1349 S. 387 applied (with modifications) (31.12.2023) by Financial Services and Markets Act 2023 (c. 29), s. 86(3), **Sch. 11 para. 138**; S.I. 2023/1382, reg. 8(b)
C1350 S. 387 applied (with modifications) (14.1.2025 for specified purposes) by The Short Selling Regulations 2025 (S.I. 2025/29), regs. 2(2)(3), 24, 25, 26, Sch. 1 Pts. 1, 2, **3**
C1351 S. 387 applied (with modifications) (1.1.2026) by The Financial Services and Markets Act 2023 (Mutual Recognition Agreement) (Switzerland) Regulations 2025 (S.I. 2025/1145), regs. 1(2), **32(3)**
C1352 S. 387(1)-(3) applied (21.11.2014) by The Central Securities Depositories Regulations 2014 (S.I. 2014/2879), regs. 1(1), **5(10)**
C1353 S. 387(1)(2)(3) applied (with modifications) by S.I. 2014/2879, reg. 5C(10) (as inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **5(9)** (with regs. 7(4), 9(1)))

Decision notices

388 Decision notices.

(1) A decision notice must—

(a) be in writing;

(b) give **[**F2928the reasons of the regulator giving the notice ("the regulator concerned")**]** for the decision to take the action to which the notice relates;

(c) state whether section 394 applies;

(d) if that section applies, describe its effect and state whether any secondary material exists to which the person concerned must be allowed access under it; and

(e) give an indication of—

(i) any right to have the matter referred to the Tribunal which is given by this Act; and

(ii) the procedure on such a reference.

[F2929(1A) Where the PRA is the regulator concerned and the FCA has decided to refuse consent for the purposes of section 55F, 55I or 59 or to give conditional consent as mentioned in section 55F(5) **[**F2930, 55I(8) or 61(2D)**]**, the decision notice given by the PRA must—

(a) state that fact, and

(b) give the reasons for the FCA's decision.**]**

(2) If the decision notice was preceded by a warning notice, the action to which the decision notice relates must be action under the same Part as the action proposed in the warning notice.

(3) **[**F2931The regulator concerned**]** may, before it takes the action to which a decision notice ("the original notice") relates, give the person concerned a further decision notice which relates to different action in respect of the same matter.

(4) **[**F2932The regulator concerned**]** may give a further decision notice as a result of subsection (3) only if the person to whom the original notice was given consents.

(5) If the person to whom a decision notice is given under subsection (3) had the right to refer the matter to which the original decision notice related to the Tribunal, he has that right as respects the decision notice under subsection (3).

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Textual Amendments

F2928 Words in s. 388(1)(b) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 27(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2929 S. 388(1A) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 27(3)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2930 Words in s. 388(1A) substituted (7.3.2016) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 3 para. 13**; S.I. 2015/490, art. 2(1)(b) (with savings and transitional provisions in S.I. 2015/492 (as amended by S.I. 2015/1660))

F2931 Words in s. 388(3) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 27(4)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2932 Words in s. 388(4) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 27(4)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

Modifications etc. (not altering text)

C1299 Ss. 385-391 applied (8.6.2023 for specified purposes, 7.10.2023 in so far as not already in force) by The Financial Services and Markets Act 2000 (Financial Promotion) (Amendment) Order 2023 (S.I. 2023/612), art. 1(2), **Sch. para. 1(r)** (with art. 11)

C1354 S. 388 applied (1.12.2001) by S.I. 2001/1228, **regs. 1(2)(c)**, 8(b) (with reg. 1(2)(3)); S.I. 2001/3538, **art. 2(1)**

C1355 S. 388 applied (N.I.) (1.11.2004) by Open-Ended Investment Companies Regulations (Northern Ireland) 2004 (S.R. 2004/335), regs. 1(1)(b), **8(b)** (with reg. 1(2))

C1356 S. 388 applied (1.4.2013) by The Financial Services and Markets Act 2000 (Over the Counter Derivatives, Central Counterparties and Trade Repositories) Regulations 2013 (S.I. 2013/504), regs. 1(2), **56** (with regs. 52-58)

C1357 S. 388 applied (21.11.2014) by The Central Securities Depositories Regulations 2014 (S.I. 2014/2879), regs. 1(1), **5(10)**

C1358 S. 388 applied (with modifications) by 2009 c. 1, s. 83ZU(6)(7) (as inserted (1.1.2015) by The Bank Recovery and Resolution Order 2014 (S.I. 2014/3329), arts. 1(2), **97**)

C1359 S. 388 applied (with modifications) (26.6.2017) by The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (S.I. 2017/692), regs. 1(2), **81(12)**(13) (with regs. 8, 15)

C1360 S. 388 applied (with modifications) by S.I. 2014/2879, reg. 5C(10) (as inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **5(9)** (with regs. 7(4), 9(1)))

C1361 S. 388 modified (E.W.S.) (29.11.2018 for specified purposes, 1.4.2019 in so far as not already in force) by The Financial Services and Markets Act 2000 (Claims Management Activity) Order 2018 (S.I. 2018/1253), arts. 1(2)(3), **62**

C1362 S. 388 applied (31.5.2021) by The Civil Liability Act 2018 (Financial Conduct Authority) (Whiplash) Regulations 2021 (S.I. 2021/594), regs. 1, **2(8)(b)**

C1363 S. 388 applied (1.7.2021) by Regulation (EU) No. 600/2014, Art. 49B(6) (as inserted by Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 10 para. 9**; S.I. 2021/739, reg. 3(o))

C1364 S. 388 applied (with modifications) (31.12.2023) by Financial Services and Markets Act 2023 (c. 29), s. 86(3), **Sch. 11 para. 139(6)(7)**; S.I. 2023/1382, reg. 8(b)

C1365 S. 388 applied (with modifications) (14.1.2025 for specified purposes) by The Short Selling Regulations 2025 (S.I. 2025/29), regs. 2(2)(3), 24, 25, 26, Sch. 1 Pts. 1, 2, **3**

C1366 S. 388 applied (with modifications) (1.1.2026) by The Financial Services and Markets Act 2023 (Mutual Recognition Agreement) (Switzerland) Regulations 2025 (S.I. 2025/1145), regs. 1(2), **32(4)**

C1367 S. 388(1)(b)-(e) applied (with modifications) (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No. 2) Order 2013 (S.I. 2013/1881), arts. 1(2)(6), **52**

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Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Conclusion of proceedings

389 Notices of discontinuance.

(1) If **[**F2933a regulator**]** decides not to take—

(a) the action proposed in a warning notice **[**F2934given by it**]**, or

(b) the action to which a decision notice **[**F2935given by it**]** relates,

it must give a notice of discontinuance to the person to whom the warning notice or decision notice was given.

(2) But subsection (1) does not apply if the discontinuance of the proceedings concerned results in the granting of an application made by the person to whom the warning or decision notice was given.

(3) A notice of discontinuance must identify the proceedings which are being discontinued.

Textual Amendments

F2933 Words in s. 389(1) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 28(a)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2934 Words in s. 389(1)(a) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 28(b)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2935 Words in s. 389(1)(b) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 28(b)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

Modifications etc. (not altering text)

C1299 Ss. 385-391 applied (8.6.2023 for specified purposes, 7.10.2023 in so far as not already in force) by The Financial Services and Markets Act 2000 (Financial Promotion) (Amendment) Order 2023 (S.I. 2023/612), art. 1(2), **Sch. para. 1(r)** (with art. 11)

C1368 S. 389 applied (1.12.2001) by S.I. 2001/1228, **regs. 1(2)(c)**, 8(c) (with reg. 1(2)(3)); S.I. 2001/3538, **art. 2(1)**

C1369 S. 389 applied (N.I.) (1.11.2004) by Open-Ended Investment Companies Regulations (Northern Ireland) 2004 (S.R. 2004/335), regs. 1(1)(b), **8(c)** (with reg. 1(2))

C1370 S. 389 applied (1.4.2013) by The Financial Services and Markets Act 2000 (Over the Counter Derivatives, Central Counterparties and Trade Repositories) Regulations 2013 (S.I. 2013/504), regs. 1(2), **56** (with regs. 52-58)

C1371 S. 389 applied (21.11.2014) by The Central Securities Depositories Regulations 2014 (S.I. 2014/2879), regs. 1(1), **5(10)**

C1372 S. 389 applied (with modifications) by 2009 c. 1, s. 83ZV (as inserted (1.1.2015) by The Bank Recovery and Resolution Order 2014 (S.I. 2014/3329), arts. 1(2), **97**)

C1373 S. 389 applied (with modifications) (26.6.2017) by The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (S.I. 2017/692), regs. 1(2), **82** (with regs. 8, 15)

C1374 S. 389 applied (with modifications) by S.I. 2014/2879, reg. 5C(10) (as inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **5(9)** (with regs. 7(4), 9(1)))

C1375 S. 389 applied (31.5.2021) by The Civil Liability Act 2018 (Financial Conduct Authority) (Whiplash) Regulations 2021 (S.I. 2021/594), regs. 1, **2(8)(c)**

C1376 S. 389 applied (1.7.2021) by Regulation (EU) No. 600/2014, Art. 49B(7) (as inserted by Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 10 para. 9**; S.I. 2021/739, reg. 3(o))

C1377 S. 389 applied (with modifications) (31.12.2023) by Financial Services and Markets Act 2023 (c. 29), s. 86(3), **Sch. 11 para. 140**; S.I. 2023/1382, reg. 8(b)

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C1378 S. 389 applied (with modifications) (14.1.2025 for specified purposes) by The Short Selling Regulations 2025 (S.I. 2025/29), regs. 2(2)(3), 24, 25, 26, Sch. 1 Pts. 1, 2, **3**

390 Final notices.

(1) If **[**F2936a regulator**]** has given a person a decision notice and the matter was not referred to the Tribunal within the **[**F2937time required by Tribunal Procedure Rules**]**, **[**F2938the regulator**]** must, on taking the action to which the decision notice relates, give the person concerned and any person to whom the decision notice was copied a final notice.

(2) If **[**F2939a regulator**]** has given a person a decision notice and the matter was referred to the Tribunal, **[**F2940the regulator**]** must, on taking action in accordance with any directions given by—

(a) the Tribunal, or

[F2941(b) a court on an appeal against the decision of the Tribunal,**]**

give that person and any person to whom the decision notice was copied **[**F2942the notice required by subsection (2A)**]**.

[F2943(2A) The notice required by this subsection is—

(a) in a case where the regulator is acting in accordance with a direction given by the Tribunal under section 133(6)(b), or by the court on an appeal from a decision by the Tribunal under section 133(6), a further decision notice, and

(b) in any other case, a final notice.**]**

(3) A final notice about a statement must—

(a) set out the terms of the statement;

(b) give details of the manner in which, and the date on which, the statement will be published.

(4) A final notice about an order must—

(a) set out the terms of the order;

(b) state the date from which the order has effect.

(5) A final notice about a penalty must—

(a) state the amount of the penalty;

(b) state the manner in which, and the period within which, the penalty is to be paid;

(c) give details of the way in which the penalty will be recovered if it is not paid by the date stated in the notice.

(6) A final notice about a requirement to make a payment or distribution in accordance with section 384(5) must state—

(a) the persons to whom,

(b) the manner in which, and

(c) the period within which,

it must be made.

(7) In any other case, the final notice must—

(a) give details of the action being taken;

(b) state the date on which the action is to be taken.

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(8) The period stated under subsection (5)(b) or (6)(c) may not be less than 14 days beginning with the date on which the final notice is given.

(9) If all or any of the amount of a penalty payable under a final notice is outstanding at the end of the period stated under subsection (5)(b), **[**F2944the regulator giving the notice**]** may recover the outstanding amount as a debt due to it.

(10) If all or any of a required payment or distribution has not been made at the end of a period stated in a final notice under subsection (6)(c), the obligation to make the payment is enforceable, on the application of **[**F2945the regulator giving the notice**]**, by injunction or, in Scotland, by an order under section 45 of the M36Court of Session Act 1988.

Textual Amendments

F2936 Words in s. 390(1) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 29(2)(a)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2937 Words in s. 390(1) substituted (6.4.2010) by The Transfer of Tribunal Functions Order 2010 (S.I. 2010/22), arts. 1(2)(e), 5(1), **Sch. 2 para. 47(a)**

F2938 Words in s. 390(1) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 29(2)(b)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2939 Words in s. 390(2) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 29(3)(a)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2940 Words in s. 390(2) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 29(3)(b)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2941 S. 390(2)(b) substituted (6.4.2010) by The Transfer of Tribunal Functions Order 2010 (S.I. 2010/22), arts. 1(2)(e), 5(1), **Sch. 2 para. 47(b)**

F2942 Words in s. 390(2) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 29(3)(c)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2943 S. 390(2A) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 29(4)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2944 Words in s. 390(9) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 29(5)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2945 Words in s. 390(10) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 29(5)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

Modifications etc. (not altering text)

C1299 Ss. 385-391 applied (8.6.2023 for specified purposes, 7.10.2023 in so far as not already in force) by The Financial Services and Markets Act 2000 (Financial Promotion) (Amendment) Order 2023 (S.I. 2023/612), art. 1(2), **Sch. para. 1(r)** (with art. 11)

C1379 S. 390 applied (1.12.2001) by S.I. 2001/1228, **regs. 1(2)(c)**, 8(d) (with reg. 1(2)(3)); S.I. 2001/3538, **art. 2(1)**

C1380 S. 390 applied (N.I.) (1.11.2004) by Open-Ended Investment Companies Regulations (Northern Ireland) 2004 (S.R. 2004/335), regs. 1(1)(b), **8(d)** (with reg. 1(2))

C1381 S. 390 applied (21.11.2014) by The Central Securities Depositories Regulations 2014 (S.I. 2014/2879), regs. 1(1), **5(10)**

C1382 S. 390 applied (with modifications) by 2009 c. 1, s. 83ZV (as inserted (1.1.2015) by The Bank Recovery and Resolution Order 2014 (S.I. 2014/3329), arts. 1(2), **97**)

C1383 S. 390 applied (with modifications) (26.6.2017) by The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (S.I. 2017/692), regs. 1(2), **82** (with regs. 8, 15)

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C1384 S. 390 applied (with modifications) by S.I. 2014/2879, reg. 5C(10) (as inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **5(9)** (with regs. 7(4), 9(1)))
C1385 S. 390 applied (with modifications) (31.5.2021) by The Civil Liability Act 2018 (Financial Conduct Authority) (Whiplash) Regulations 2021 (S.I. 2021/594), regs. 1, **2(8)(d)**
C1386 S. 390 applied (1.7.2021) by Regulation (EU) No. 600/2014, Art. 49B(8) (as inserted by Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 10 para. 9**; S.I. 2021/739, reg. 3(o))
C1387 S. 390 applied (with modifications) (31.12.2023) by Financial Services and Markets Act 2023 (c. 29), s. 86(3), **Sch. 11 para. 140**; S.I. 2023/1382, reg. 8(b)
C1388 S. 390 applied (with modifications) (14.1.2025 for specified purposes) by The Short Selling Regulations 2025 (S.I. 2025/29), regs. 2(2)(3), 24, 25, 26, Sch. 1 Pts. 1, 2, **3**
C1389 S. 390 applied (with modifications) (1.1.2026) by The Financial Services and Markets Act 2023 (Mutual Recognition Agreement) (Switzerland) Regulations 2025 (S.I. 2025/1145), regs. 1(2), **32(5)**
C1390 S. 390(3)(4)(7) applied (1.12.2001) by S.I. 2001/3592, **arts. 1(2)**, 110(7) (with art. 23(2))
C1391 S. 390(3)-(5)(8)(9) applied (1.12.2001) by S.I. 2001/3592, **arts. 1(2)**, 85(5)(b) (with art. 23(2))
C1392 S. 390(3)-(5)(7)-(9) applied (1.12.2001) by S.I. 2001/3592, **arts. 1(2)**, 61(7) (with art. 23(2))
C1393 S. 390(7) applied (1.12.2001) by S.I. 2001/3592, **arts. 1(2)**, 115(5), 122(4), 129 (with art. 23(2))

Marginal Citations
M36 1988 c. 36.

Publication

391 Publication.

[[F2946](1) In the case of a warning notice falling within subsection (1ZB)—

(a) neither the regulator giving the notice nor a person to whom it is given or copied may publish the notice,

(b) a person to whom the notice is given or copied may not publish any details concerning the notice unless the regulator giving the notice has published those details, and

(c) after consulting the persons to whom the notice is given or copied, the regulator giving the notice may publish such information about the matter to which the notice relates as it considers appropriate.

(1ZA) In the case of a warning notice not falling within subsection (1ZB), neither the regulator giving the notice nor a person to whom it is given or copied may publish the notice or any details concerning it.

(1ZB) A warning notice falls within this subsection if it is given under—

(a) section 63B;
(b) section 67;
[F2947](c) . . . . . .
(d) section 88B;
(e) section 89K;
(f) section 89R;
(g) section 92;
(h) section 126;
(i) **[**[F2948]section 131H;**]**
[[F2949](ia) section 142N;**]**
[[F2950](ib) section 143T;

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(ic) section 143X;**]**

(j) section 192L;

(k) section 207;

[F2951(ka) section 309V;

(kb) section 309Z4;**]**

(l) section 312G;

[F2952(la) section 312S;**]**

(m) section 345B (whether as a result of section 345(2) or 345A(3) or section 249(1) **[**F2953or 261K(1)**]**).**]**

[F2954(n) regulation 41(1) of the Public Offers and Admissions to Trading Regulations 2024.**]**

[F2955(1A) A person to whom a decision notice is given or copied may not publish the notice or any details concerning it unless the **[**F2956regulator giving the notice**]** has published the notice or those details.**]**

(2) A notice of discontinuance must state that, if the person to whom the notice is given consents, the **[**F2957regulator giving the notice**]** may publish such information as it considers appropriate about the matter to which the discontinued proceedings related.

(3) A copy of a notice of discontinuance must be accompanied by a statement that, if the person to whom the notice is copied consents, the **[**F2958regulator giving the notice**]** may publish such information as it considers appropriate about the matter to which the discontinued proceedings related, so far as relevant to that person.

(4) **[**F2959The regulator giving a decision or final notice**]** must publish such information about the matter to which **[**F2960the notice**]** relates as it considers appropriate.

[F2961(4A) Subsection (4) is subject to **[**F2962sections 391A **[**F2963, 391B **[**F2964, 391C **[**F2965391D, 391E and 391F**]]]].]**

(5) When a supervisory notice takes effect, the **[**F2966regulator giving the notice**]** must publish such information about the matter to which the notice relates as it considers appropriate.

[F2967(5A) Subsection (5) does not apply in relation to a notice given in accordance with section 137S(5) or (8)(a) (but see section 137S(11)).**]**

[F2968(6) The FCA may not publish information under this section if, in its opinion, publication of the information would be—

(a) unfair to the person with respect to whom the action was taken (or was proposed to be taken),

(b) prejudicial to the interests of consumers, or

(c) detrimental to the stability of the UK financial system.

(6A) The PRA may not publish information under this section if, in its opinion, publication of the information would be—

(a) unfair to the person with respect to whom the action was taken (or was proposed to be taken),

(b) prejudicial to the safety and soundness of PRA-authorised persons, or

(c) in a case where section 2C applies, prejudicial to securing the appropriate degree of protection for policyholders.**]**

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(7) Information is to be published under this section in such manner as the **[**F2969regulator**]** considers appropriate.

F2970(7A) . . . . . .

F2970(7B) . . . . . .

(8) For the purposes of determining when a supervisory notice takes effect, a matter to which the notice relates is open to review if—

(a) the period during which any person may refer the matter to the Tribunal is still running;

(b) the matter has been referred to the Tribunal but has not been dealt with;

(c) the matter has been referred to the Tribunal and dealt with but the period during which an appeal may be brought against the Tribunal's decision is still running; or

(d) such an appeal has been brought but has not been determined.

[F2971(8A) Where a decision notice or final notice relates to any decision or action under a provision of this Act in relation to the contravention of a **[**F2972CSD requirement**]**, this section has effect subject to Article 62 of the CSD regulation (publication of decisions).**]**

[F2973(8AA) A "CSD requirement" is a requirement imposed by—

(a) the CSD regulation,

(b) any EU regulation, originally made under the CSD regulation, which is **[**F2974assimilated direct**]** legislation, or

(c) any subordinate legislation (within the meaning of the Interpretation Act 1978) made under the CSD regulation on or after IP completion day.**]**

[F2975(8B) Where a decision notice or final notice relates to any decision or action under a provision of this Act in relation to the contravention of a **[**F2976market abuse requirement**]**, this section has effect subject to Article 34 of the market abuse regulation (publication of decisions).**]**

[F2977(8BA) A "market abuse requirement" is a requirement imposed by—

(a) the market abuse regulation,

(b) any EU regulation, originally made under the market abuse regulation, which is **[**F2978assimilated direct**]** legislation, or

(c) any subordinate legislation (within the meaning of the Interpretation Act 1978) made under the market abuse regulation on or after IP completion day.**]**

[F2979(8C) Where a decision notice, final notice or supervisory notice relates to any decision or action under a provision of this Act in relation to the contravention of a requirement imposed by or under Article 4 or 15 of the SFT regulation, this section has effect subject to Article 26 of the SFT regulation (publication of decisions).**]**

[F2980**[**F2981(8D) Where a decision notice, final notice or supervisory notice relates to any decision or action under a provision of this Act in relation to the contravention of a requirement imposed by—

(a) Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (the "PRIIPs regulation"), F2982...

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(b) any **[**F2983EU regulation, originally**]** made under the PRIIPs regulation, **[**F2984which is **[**F2985assimilated direct**]** legislation,**][**F2986or

(c) any subordinate legislation (within the meaning of the Interpretation Act 1978) made under the PRIIPs regulation on or after IP completion day,**]**

this section has effect subject to Article 29 of the PRIIPs regulation (publication of decisions).**]]**

[F2987(8E) Where a decision notice or final notice relates to any decision or action under a provision of this Act in relation to the contravention of a requirement **[**F2988imposed by—

(a) the EU Benchmarks Regulation 2016,

(b) any EU regulation, originally made under the EU Benchmarks Regulation 2016, which is **[**F2989assimilated direct**]** legislation, or

(c) any subordinate legislation (within the meaning of the Interpretation Act 1978) made under the EU Benchmarks Regulation on or after IP completion day,

this section**]** has effect subject to Article 45 of the EU Benchmarks Regulation 2016 (publication of decisions).**]**

F2990(8F) . . . . . .

F2991(8G) . . . . . .

(9) "Notice of discontinuance" means a notice given under section 389.

(10) "Supervisory notice" has the same meaning as in section 395.

[F2992(11) Section 425A (meaning of "consumers") applies for the purposes of this section.**]**

Textual Amendments

F2946 S. 391(1)(1ZA)(1ZB) substituted for s. 391(1) (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 30(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2947 S. 391(1ZB)(c) omitted (30.1.2024 for specified purposes, 19.1.2026 in so far as not already in force) by virtue of The Public Offers and Admissions to Trading Regulations 2024 (S.I. 2024/105), reg. 2(2)(3), **Sch. 3 para. 17(a)(i)** (with regs. 48-50); S.I. 2025/1078, reg. 5(b) (with reg. 12)

F2948 S. 391(1ZB)(i) omitted (14.1.2025 for specified purposes) by virtue of The Short Selling Regulations 2025 (S.I. 2025/29), reg. 2(2)(3), **Sch. 2 para. 1(5)**

F2949 S. 391(1ZB)(ia) inserted (1.1.2019) by Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 4(3)**, 148(5); S.I. 2018/1306, art. 2(d)

F2950 S. 391(1ZB)(ib)(ic) inserted (1.7.2021) by Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 2 para. 12** (with Sch. 2 Pt. 3); S.I. 2021/671, reg. 4(b)

F2951 S. 391(1ZB)(ka)(kb) inserted (29.6.2023 for specified purposes) by Financial Services and Markets Act 2023 (c. 29), s. 86(1)(e), **Sch. 10 para. 13**

F2952 S. 391(1ZB)(la) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 19(4)**, 86(3); S.I. 2023/779, reg. 4(n)

F2953 Words in s. 391(1ZB)(m) inserted (6.6.2013) by The Collective Investment in Transferable Securities (Contractual Scheme) Regulations 2013 (S.I. 2013/1388), regs. 1, **3(18)** (with reg. 24)

F2954 S. 391(1ZB)(n) inserted (30.1.2024 for specified purposes, 19.1.2026 in so far as not already in force) by The Public Offers and Admissions to Trading Regulations 2024 (S.I. 2024/105), reg. 2(2)(3), **Sch. 3 para. 17(a)(ii)** (with regs. 48-50); S.I. 2025/1078, reg. 5(b) (with reg. 12)

F2955 S. 391(1A) inserted (12.10.2010) by Financial Services Act 2010 (c. 28), **ss. 13(3)**, 26(3); S.I. 2010/2480, **art. 2** (with art. 4)

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F2956 Words in s. 391(1A) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 30(3)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2957 Words in s. 391(2) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 30(3)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2958 Words in s. 391(3) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 30(3)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2959 Words in s. 391(4) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 30(4)(a)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2960 Words in s. 391(4) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 30(4)(b)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2961 S. 391(4A) inserted (1.1.2014) by The Capital Requirements Regulations 2013 (S.I. 2013/3115), reg. 1(2), **Sch. 2 para. 22**

F2962 Words in s. 391(4A) substituted (26.11.2015) by The Transparency Regulations 2015 (S.I. 2015/1755), regs. 1(3), **4(5)**

F2963 Words in s. 391(4A) substituted (18.3.2016) by The Undertakings for Collective Investment in Transferable Securities Regulations 2016 (S.I. 2016/225), regs. 1, **2(7)**

F2964 Words in s. 391(4A) substituted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 2 para. 45(a)** (with reg. 7)

F2965 Words in s. 391(4A) substituted (21.7.2019) by The Financial Services and Markets Act 2000 (Prospectus) Regulations 2019 (S.I. 2019/1043), regs. 1(1), **33(1)(a)** (with reg. 40)

F2966 Words in s. 391(5) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 30(5)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2967 S. 391(5A) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 24(2)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2968 S. 391(6)(6A) substituted for s. 391(6) (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 30(6)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2969 Word in s. 391(7) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 30(7)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F2970 S. 391(7A)(7B) omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **74(2)**; 2020 c. 1, Sch. 5 para. 1(1)

F2971 S. 391(8A) inserted (21.11.2014) by The Central Securities Depositories Regulations 2014 (S.I. 2014/2879), regs. 1(1), **6(2)**

F2972 Words in s. 391(8A) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **74(3)**; 2020 c. 1, Sch. 5 para. 1(1)

F2973 S. 391(8AA) inserted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **74(4)** (as amended by S.I. 2020/1301, regs. 1, 3, **Sch. para. 33(g)(i)**); 2020 c. 1, **Sch. 5 para. 1(1)** Edit

F2974 Words in s. 391(8AA)(b) substituted (1.1.2024) by The Retained EU Law (Revocation and Reform) Act 2023 (Consequential Amendment) Regulations 2023 (S.I. 2023/1424), reg. 1(2), **Sch. para. 44(4)(t)**

F2975 S. 391(8B) inserted (3.7.2016) by The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **10(17)(b)**

F2976 Words in s. 391(8B) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **74(5)**; 2020 c. 1, Sch. 5 para. 1(1)

F2977 S. 391(8BA) inserted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **74(6)** (as amended by S.I. 2020/1301, regs. 1, 3, **Sch. para. 33(g)(ii)**); 2020 c. 1, **Sch. 5 para. 1(1)**

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F2978 Words in s. 391(8BA)(b) substituted (1.1.2024) by The Retained EU Law (Revocation and Reform) Act 2023 (Consequential Amendment) Regulations 2023 (S.I. 2023/1424), reg. 1(2), **Sch. para. 44(4)(t)**

F2979 S. 391(8C) inserted (13.7.2016) by The Financial Services and Markets Act 2000 (Transparency of Securities Financing Transactions and of Reuse) Regulations 2016 (S.I. 2016/715), reg. 1(2), **Sch. 1 para. 1(4)**

F2980 S. 391(8D) inserted (1.1.2018) by The Packaged Retail and Insurance-based Investment Products Regulations 2017 (S.I. 2017/1127), reg. 1, **Sch. 2 para. 1**

F2981 S. 391(8D) omitted (22.11.2024 for specified purposes) by virtue of The Consumer Composite Investments (Designated Activities) Regulations 2024 (S.I. 2024/1198), reg. 2(1)(c)(2), **Sch. 2 para. 1**

F2982 Word in s. 391(8D)(a) omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **74(7)(a)**; 2020 c. 1, Sch. 5 para. 1(1)

F2983 Words in s. 391(8D)(b) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **74(7)(b)(i)**; 2020 c. 1, Sch. 5 para. 1(1)

F2984 Words in s. 391(8D)(b) inserted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **74(7)(b)(ii)**; 2020 c. 1, Sch. 5 para. 1(1)

F2985 Words in s. 391(8D)(b) substituted (1.1.2024) by The Retained EU Law (Revocation and Reform) Act 2023 (Consequential Amendment) Regulations 2023 (S.I. 2023/1424), reg. 1(2), **Sch. para. 44(4)(t)**

F2986 S. 391(8D)(c) and word inserted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **74(7)(c)** (as amended by S.I. 2020/1301, regs. 1, 3, **Sch. para. 33(g)(iii)**); 2020 c. 1, **Sch. 5 para. 1(1)**

F2987 S. 391(8E) inserted (27.2.2018) by The Financial Services and Markets Act 2000 (Benchmarks) Regulations 2018 (S.I. 2018/135), regs. 1(2), **46**

F2988 Words in s. 391(8E) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **74(8)** (as amended by S.I. 2020/1301, regs. 1, 3, **Sch. para. 33(g)(iv)**); 2020 c. 1, **Sch. 5 para. 1(1)**

F2989 Words in s. 391(8E)(b) substituted (1.1.2024) by The Retained EU Law (Revocation and Reform) Act 2023 (Consequential Amendment) Regulations 2023 (S.I. 2023/1424), reg. 1(2), **Sch. para. 44(4)(t)**

F2990 S. 391(8F) omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **74(9)**; 2020 c. 1, Sch. 5 para. 1(1)

F2991 S. 391(8G) omitted (30.1.2024 for specified purposes, 19.1.2026 in so far as not already in force) by virtue of The Public Offers and Admissions to Trading Regulations 2024 (S.I. 2024/105), reg. 2(2)(3), **Sch. 3 para. 17(b)** (with regs. 48-50); S.I. 2025/1078, reg. 5(b) (with reg. 12)

F2992 S. 391(11) substituted (8.4.2010) by Financial Services Act 2010 (c. 28), ss. 24(1), 26(1)(l), **Sch. 2 para. 28**

Modifications etc. (not altering text)

C1299 Ss. 385-391 applied (8.6.2023 for specified purposes, 7.10.2023 in so far as not already in force) by The Financial Services and Markets Act 2000 (Financial Promotion) (Amendment) Order 2023 (S.I. 2023/612), art. 1(2), **Sch. para. 1(r)** (with art. 11)

C1394 S. 391 applied (1.12.2001) by S.I. 2001/1228, **regs. 1(2)(c)**, 9 (with reg. 1(2)(3)); S.I. 2001/3538, **art. 2(1)**

C1395 S. 391 applied (N.I.) (1.11.2004) by Open-Ended Investment Companies Regulations (Northern Ireland) 2004 (S.R. 2004/335), regs. 1(1)(b), **9** (with reg. 1(2))

C1396 S. 391: power to amend conferred (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 37(2)(a)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

C1397 S. 391 applied (1.4.2013) by The Financial Services and Markets Act 2000 (Over the Counter Derivatives, Central Counterparties and Trade Repositories) Regulations 2013 (S.I. 2013/504), regs. 1(2), **56** (with regs. 52-58)

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C1398 S. 391 applied (21.11.2014) by The Central Securities Depositories Regulations 2014 (S.I. 2014/2879), regs. 1(1), **5(11)**
C1399 S. 391 applied (with modifications) by S.I. 2014/2879, reg. 5C(11) (as inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **5(9)** (with regs. 7(4), 9(1)))
C1400 S. 391 applied (31.5.2021) by The Civil Liability Act 2018 (Financial Conduct Authority) (Whiplash) Regulations 2021 (S.I. 2021/594), regs. 1, **2(8)(e)**
C1401 S. 391 applied (with modifications) (14.1.2025 for specified purposes) by The Short Selling Regulations 2025 (S.I. 2025/29), regs. 2(2)(3), 24, 25, 26, Sch. 1 Pts. 1, 2, **3**
C1402 S. 391 applied (with modifications) (1.1.2026) by The Financial Services and Markets Act 2023 (Mutual Recognition Agreement) (Switzerland) Regulations 2025 (S.I. 2025/1145), regs. 1(2), **32(6)**
C1403 S. 391(1)(c) restricted (1.4.2013) by The Financial Services Act 2012 (Transitional Provisions) (Enforcement) Order 2013 (S.I. 2013/441), arts. 1(1), **33**
C1404 S. 391(4)(6)(7) applied (1.12.2001) by S.I. 2001/2957, **arts. 1**, 13(8)(a), S.I. 2001/3538, art. 2(1)
C1405 S. 391(4) applied (1.12.2001) by S.I. 2001/3592, **arts. 1(2)**, 61(7), 85(5)(b), 110(7), 115(5), 122(4), 129 (with art. 23(2))
C1406 S. 391(6)(b) modified (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No.2) Order 2013 (S.I. 2013/1881), arts. 1(2)(6), **65(3)(c)**
C1407 S. 391(8) applied (N.I.) (1.11.2004) by Open-Ended Investment Companies Regulations (Northern Ireland) 2004 (S.R. 2004/335), regs. 1(1)(b), **27(14)** (with reg. 1(2))
C1408 S. 391(8) applied (with modifications) by S.I. 2011/99, Sch. 2A para. 1(9)(10)(12) (as inserted (14.2.2014 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2014 (S.I. 2014/366), arts. 1(3)(4), **18(3)**)
C1409 S. 391(8) applied (with modifications) by S.I. 2009/209, Sch. 4A para. 1(9)(10) (as inserted (14.2.2014 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2014 (S.I. 2014/366), arts. 1(3)(4), **12(4)**)
C1410 S. 391(8) applied (1.1.2019) by The Securitisation Regulations 2018 (S.I. 2018/1288), regs. 1, **15(8)**
C1411 S. 391(8) applied (1.1.2019) by The Securitisation Regulations 2018 (S.I. 2018/1288), regs. 1, **22(8)**
C1412 S. 391(8) applied (1.7.2021) by Regulation (EU) No. 600/2014, Art. 49A(13) (as inserted by Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 10 para. 9**; S.I. 2021/739, reg. 3(o))
C1413 S. 391(8) applied (30.1.2024 for specified purposes, 1.11.2024 in so far as not already in force) by The Securitisation Regulations 2024 (S.I. 2024/102), regs. 2(1)(b)(e)(2), **7(12)**, 10(10), 20(12), 30(8) (with reg. 52(1)(3)); as amended by S.I. 2024/705, regs. 1(2), 2(2)
C1414 S. 391(8) applied (1.1.2026) by The Financial Services and Markets Act 2023 (Mutual Recognition Agreement) (Switzerland) Regulations 2025 (S.I. 2025/1145), regs. 1(2), **17(12)**
C1415 S. 391(8)(a)-(d) applied (1.5.2009 for certain purposes and 1.11.2009 otherwise) by The Payment Services Regulations 2009 (S.I 2009/209), regs. 1(2)(b)(v)(c), {11(13)} (with reg. 3)
C1416 S. 391(11) modified (18.6.2001) by S.I. 2001/1821, **arts. 1(1)**, 3(5)

[F2993 391A [F2994 Publication: special provisions relating to [F2995 capital requirements]]]

(1) This section applies where a decision notice or final notice relates to the imposition of a penalty **[**F2996 for breach of—

(a) a provision made in or under this Act for the purpose of implementing the capital requirements directive, or

(b) a provision of the capital requirements regulation.**]**

(2) Where a regulator publishes information under section 391(4) about a matter to which a decision notice relates and the person to whom the notice is given refers the matter

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to the Tribunal, the regulator must, without undue delay, publish on its official website information about the status of the appeal and its outcome.

(3) Subject to subsection (4), where a regulator gives a final notice, the regulator must publish information on the type and nature of the breach and the identity of the person on whom the penalty is imposed.

(4) Information about a matter to which a final notice relates must be published anonymously where—

(a) the penalty is imposed on an individual and, following an obligatory prior assessment, publication of personal data is found to be disproportionate;

(b) publication would jeopardise the stability of financial markets or an ongoing criminal investigation; or

(c) publication would cause, insofar as it can be determined, disproportionate damage to the persons involved.

(5) Where subsection (4) applies, the regulator may make such arrangements as to the publication of information (including as to the timing of publication) as are necessary to preserve the anonymity of the person on whom the penalty is imposed.

(6) Where a regulator publishes information in accordance with subsections (2) to (5), the regulator must—

(a) publish the information on its official website; **[**F2997and**]**

(b) ensure the information remains on its official website for at least five years, unless the information is personal data and **[**F2998the data protection legislation**]** requires the information to be retained for a different period; F2999...

F2999(c) . . . . . .**]**

Textual Amendments

F2993 S. 391A inserted (1.1.2014) by The Capital Requirements Regulations 2013 (S.I. 2013/3115), reg. 1(2), **Sch. 2 para. 23**

F2994 S. 391A heading substituted (26.11.2015) by The Transparency Regulations 2015 (S.I. 2015/1755), regs. 1(3), **4(6)**

F2995 Words in s. 391A heading substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **75(2)**; 2020 c. 1, Sch. 5 para. 1(1)

F2996 Words in s. 391A(1) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **75(3)**; 2020 c. 1, Sch. 5 para. 1(1)

F2997 Word in s. 391A(6)(a) inserted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **75(4)(a)**; 2020 c. 1, Sch. 5 para. 1(1)

F2998 Words in s. 391A(6)(b) substituted (25.5.2018) by Data Protection Act 2018 (c. 12), s. 212(1), **Sch. 19 para. 50** (with ss. 117, 209, 210); S.I. 2018/625, reg. 2(1)(g)

F2999 S. 391A(6)(c) and word omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **75(4)(b)**; 2020 c. 1, Sch. 5 para. 1(1)

Modifications etc. (not altering text)

C1417 Ss. 391A-391F excluded (1.1.2026) by The Financial Services and Markets Act 2023 (Mutual Recognition Agreement) (Switzerland) Regulations 2025 (S.I. 2025/1145), regs. 1(2), **32(7)**

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[F3000 391B Publication: special provisions relating to [F3001 transparency obligations]

(1) This section applies where a decision notice, final notice or notice under section 89M relates to the imposition of a sanction or measure **[**F3002 for breach of a provision made in or under this Act for the purpose of implementing the transparency obligations directive**]**.

(2) Where the FCA publishes information under section 391(4) or subsection (3) about a matter to which a decision notice or a notice under section 89M relates and the person to whom the notice is given refers the matter to the Tribunal—

(a) the FCA must include information to that effect in the publication at the time of the publication, or,

(b) if the matter is referred to the Tribunal after the publication, the FCA must update the publication or publish that information separately.

(3) Subject to subsection (4), where the FCA gives a final notice or a notice under section 89M, it must publish information on the type and nature of the breach and the identity of the person on whom the sanction or measure is imposed.

(4) Information about a matter to which a final notice or a notice under section 89M relates may be published anonymously where—

(a) the sanction is imposed on an individual and, following an obligatory prior assessment, publication of personal data is found to be disproportionate;

(b) failing to publish anonymously would seriously jeopardise the stability of the financial system or an ongoing official investigation; or

(c) failing to publish anonymously would cause, insofar as it can be determined, disproportionate and serious damage to the persons involved.

(5) Where subsection (4) applies, the FCA may make such arrangements as to the publication of information (including as to the timing of publication) as are necessary to preserve the anonymity of the person on whom the sanction or measure is imposed.

(6) In this section, the "transparency obligations directive" has the same meaning as in section 103(1).**]**

Textual Amendments

F3000 S. 391B inserted (26.11.2015) by The Transparency Regulations 2015 (S.I. 2015/1755), regs. 1(3), **4(7)**

F3001 Words in s. 391B heading substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **76(2)**; 2020 c. 1, Sch. 5 para. 1(1)

F3002 Words in s. 391B(1) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **76(3)**; 2020 c. 1, Sch. 5 para. 1(1)

Modifications etc. (not altering text)

C1417 Ss. 391A-391F excluded (1.1.2026) by The Financial Services and Markets Act 2023 (Mutual Recognition Agreement) (Switzerland) Regulations 2025 (S.I. 2025/1145), regs. 1(2), **32(7)**

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[F3003 391C Publication: special provisions relating to [F3004 UCITS]

(1) This section applies where a supervisory notice, decision notice or final notice relates to the imposition of a sanction or measure **[**F3005 for breach of a provision made in or under this Act for the purpose of implementing the UCITS directive**]**.

(2) Where the FCA publishes information under section 391(4) or (5) about a matter to which a decision notice or supervisory notice relates and the person to whom the notice is given refers the matter to the Tribunal, the FCA must, without undue delay, publish on its official website information about the status of the appeal and its outcome.

(3) Subject to subsection (4), where the FCA gives a final notice, it must, without undue delay, publish on its official website information on the type and nature of the breach and the identity of the person on whom the sanction or measure is imposed.

(4) Subject to subsection (6), information about a matter to which a final notice relates must be published anonymously where—

(a) the sanction or measure is imposed on an individual and, following an obligatory prior assessment, publication of personal data is found to be disproportionate;

(b) failing to publish anonymously would jeopardise the stability of financial markets or an ongoing investigation; or

(c) failing to publish anonymously would cause, insofar as it can be determined, disproportionate damage to the persons involved.

(5) Where subsection (4) applies, the FCA may make such arrangements as to the publication of information (including as to the timing of publication) as are necessary to preserve the anonymity of the person on whom the sanction or measure is imposed.

(6) Information about a matter to which a final notice relates must not be published where anonymous publication under subsection (4) is considered by the FCA to be insufficient to ensure—

(a) that the stability of the financial markets would not be put in jeopardy; or

(b) that the publication would be proportionate with regard to sanctions or measures which are considered by the FCA to be of a minor nature.

(7) Where the FCA publishes information in accordance with subsections (2) to (5), the FCA must—

(a) ensure the information remains on its official website for at least five years, unless the information is personal data and **[**F3006 the data protection legislation**]** requires the information to be retained for a different period; F3007 ...

F3007 (b) . . . . . .**]**

Textual Amendments

F3003 S. 391C inserted (18.3.2016) by The Undertakings for Collective Investment in Transferable Securities Regulations 2016 (S.I. 2016/225), regs. 1, **2(8)**

F3004 Word in s. 391C heading substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **77(2)**; 2020 c. 1, Sch. 5 para. 1(1)

F3005 Words in s. 391C(1) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **77(3)**; 2020 c. 1, Sch. 5 para. 1(1)

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F3006 Words in s. 391C(7)(a) substituted (25.5.2018) by Data Protection Act 2018 (c. 12), s. 212(1), **Sch. 19 para. 51** (with ss. 117, 209, 210); S.I. 2018/625, reg. 2(1)(g)

F3007 S. 391C(7)(b) and word omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **77(4)**; 2020 c. 1, Sch. 5 para. 1(1)

Modifications etc. (not altering text)

C1417 Ss. 391A-391F excluded (1.1.2026) by The Financial Services and Markets Act 2023 (Mutual Recognition Agreement) (Switzerland) Regulations 2025 (S.I. 2025/1145), regs. 1(2), **32(7)**

[F3008 391D Publication: special provisions relating to [F3009 markets in financial instruments]

(1) This section applies where a supervisory notice, decision notice or final notice relates to the imposition of a sanction or measure [F3010 for breach of—

(a) a provision made in or under this Act for the purpose of implementing the markets in financial instruments directive, or

(b) a provision of the markets in financial instruments regulation.]

(2) Where a regulator publishes information under section 391(4) or (5) about a matter to which a supervisory notice or decision notice relates and the person to whom the notice is given refers the matter to the Tribunal, the regulator must, without undue delay, publish on its official website information about the status of the appeal and its outcome.

(3) Subject to subsections (4), (5), and (8) where a regulator gives a final notice, it must, without undue delay, publish on its official website information on the type and nature of the breach and the identity of the person on whom the sanction or measure is imposed.

(4) Subject to subsection (7) and (8), information about a matter to which a final notice relates must be published in accordance with subsection (5) where—

(a) a regulator considers it to be disproportionate to publish the identity of a legal person on whom the sanction or measure is imposed following an assessment by the regulator of the proportionality of publishing the person's identity;

(b) a regulator considers it to be disproportionate to publish the personal data of an individual on whom the sanction or measure is imposed following an assessment by the regulator of the proportionality of publishing the personal data; or

(c) the publication of information under subsection (3) would jeopardise the stability of the financial markets or an ongoing investigation.

(5) Where subsection (4) applies, a regulator must—

(a) defer the publication of the information about a matter to which a final notice relates until such time as subsection (4) ceases to apply; or

(b) publish the information on an anonymous basis if publication on that basis would ensure the effective protection of any anonymised personal data in the information.

(6) Where subsection (5)(b) applies, the regulator may make such arrangements as to the publication of information (including as to the timing of publication) as are necessary to preserve the anonymity of the person on whom the sanction or measure is imposed.

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(7) The regulator may make arrangements for the postponed publication of any personal data that is anonymised in information it publishes under subsection (5)(b) if—

(a) publication of the data is postponed for a reasonable period of time; and

(b) the regulator considers that subsection (5)(b) will no longer apply in respect of that data at the time of the postponed publication.

(8) Information about a matter to which a final notice relates must not be published if publication in accordance with subsection (5) is considered by the regulator insufficient to ensure—

(a) that the stability of the financial markets would not be put in jeopardy; or

(b) that the publication of the information would be proportionate with regard to sanctions or measures which are considered by the regulator to be of a minor nature.

(9) Where a regulator publishes information in accordance with subsections (2) to (7), the regulator must—

(a) ensure the information remains on its official website for at least five years, unless the information is personal data and **[**F3011the data protection legislation**]** requires the information to be retained for a different period; F3012...

F3012(b) . . . . . .**]**

Textual Amendments

F3008 S. 391D inserted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 2 para. 46** (with reg. 7)

F3009 Words in s. 391D heading substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **78(2)**; 2020 c. 1, Sch. 5 para. 1(1)

F3010 Words in s. 391D(1) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **78(3)**; 2020 c. 1, Sch. 5 para. 1(1)

F3011 Words in s. 391D(9)(a) substituted (25.5.2018) by Data Protection Act 2018 (c. 12), s. 212(1), **Sch. 19 para. 52** (with ss. 117, 209, 210); S.I. 2018/625, reg. 2(1)(g)

F3012 S. 391D(9)(b) and word omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **78(4)**; 2020 c. 1, Sch. 5 para. 1(1)

Modifications etc. (not altering text)

C1417 Ss. 391A-391F excluded (1.1.2026) by The Financial Services and Markets Act 2023 (Mutual Recognition Agreement) (Switzerland) Regulations 2025 (S.I. 2025/1145), regs. 1(2), **32(7)**

[F3013**391E Publication: special provisions relating to [**F3014**insurance distribution]**

(1) This section applies where a supervisory notice, decision notice or final notice relates to the imposition of a sanction or measure **[**F3015for breach of a provision made in or under this Act for the purpose of implementing the insurance distribution directive**]**.

(2) Where a regulator publishes information under section 391(4) or (5) about a matter to which a decision notice or supervisory notice relates and the person to whom the

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notice is given refers the matter to the Tribunal, the regulator must, without undue delay, publish on its official website information about the status of the appeal and its outcome.

(3) Subject to subsection (4), where the regulator gives a final notice, it must, without undue delay, publish on its official website information on the type and nature of the breach and the identity of the person on whom the sanction or measure is imposed.

(4) The regulator may publish the information anonymously, defer publication of the information or withhold some, or all, of the information where—

(a) following an obligatory prior assessment, the regulator considers that publication of the identity of the person, or any personal data, would be disproportionate; or

(b) the regulator considers that publication would jeopardise the stability of financial markets or an ongoing investigation.

F3016(5) . . . . . .

(6) In this section "supervisory notice" has the same meaning as in section 395.**]**

Textual Amendments

F3013 S. 391E inserted (1.10.2018) by The Insurance Distribution (Regulated Activities and Miscellaneous Amendments) Order 2018 (S.I. 2018/546), arts. 1(2), **16**

F3014 Words in s. 391E heading substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **79(2)**; 2020 c. 1, Sch. 5 para. 1(1)

F3015 Words in s. 391E(1) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **79(3)**; 2020 c. 1, Sch. 5 para. 1(1)

F3016 S. 391E(5) omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **79(4)**; 2020 c. 1, Sch. 5 para. 1(1)

Modifications etc. (not altering text)

C1417 Ss. 391A-391F excluded (1.1.2026) by The Financial Services and Markets Act 2023 (Mutual Recognition Agreement) (Switzerland) Regulations 2025 (S.I. 2025/1145), regs. 1(2), **32(7)**

F3017 391F Publication: special provisions relating to the prospectus regulation

. . . . . .

Textual Amendments

F3017 S. 391F omitted (30.1.2024 for specified purposes, 19.1.2026 in so far as not already in force) by virtue of The Public Offers and Admissions to Trading Regulations 2024 (S.I. 2024/105), reg. 2(2)(3), **Sch. 3 para. 18** (with regs. 48-50); S.I. 2025/1078, reg. 5(b) (with reg. 12)

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Third party rights and access to evidence

392 Application of sections 393 and 394.

Sections 393 and 394 apply to—

(a) a warning notice given in accordance with section [F3018 55Z(1)], 57(1), 63(3), [F3019 63B(1),] 67(1), 88(4)(b), [F3020 section 88B(1),] 92(1), 126(1), [F3021 [F3022 131H(1),]][F3023 142T(1),][F3024 143N(1), 143T(1), 143U(2), 143X(1),][F3025 192L(1) [F3026, 192R(8), 192Z(1)],][F3027 207(1) or (1A), 208A(3),] 255(1), [F3028 261V(1),][F3029 271N(2), 271R(3),] 280(1), [F3030 282B(3),][F3031 309C(1)(b), 309P(1)(b), 309V(1), 309Z4(1),][F3032 section 312G(1),][F3033 312S(1),] 331(1), [F3034 345B(1) (whether as a result of section 345(2), 345A(3)] or section 249(1) [F3035 or 261K(1)]) [F3036, 385(1) or 412B(4) or (8)][F3037 or paragraph 5(6) of Schedule 6A];

[F3038 (aa) a warning notice given in accordance with regulation 41(1) of the Public Offers and Admissions to Trading Regulations 2024;]

(b) a decision notice given in accordance with section [F3039 55Z(2)], 57(3), 63(4), [F3040 63B(3),] 67(4), 88(6)(b), [F3041 section 88B(5),] 92(4), 127(1), [F3042 [F3043 131H(4),]][F3044 142T(4),][F3045 143N(2), 143T(3), 143U(2), 143X(5),][F3046 192L(4) [F3047, 192R(9), 192Z(4)],][F3048 208(1) or (1A), 208A(4),] 255(2), [F3049 261V(2),][F3050 271N(3), 271R(4),] 280(2), [F3051 282B(4),][F3052 309C(3), 309P(2), 309V(3), 309Z4(6)][F3053 section 312H(1),][F3054 312S(3),] 331(3), [F3055 345B(4) (whether as a result of section 345(2), 345A(3)] or section 249(1) [F3056 or 261K(1)]) [F3057, 386(1) or 412B(5) or (9)][F3058 or paragraph 5(7) of Schedule 6A].

[F3059 (c) a decision notice given in accordance with regulation 41(4) of the Public Offers and Admissions to Trading Regulations 2024.]

Textual Amendments

F3018 Word in s. 392(a) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 31(2)(a)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F3019 Word in s. 392(a) inserted (8.6.2010) by Financial Services Act 2010 (c. 28), ss. 24(1), 26(2)(e), **Sch. 2 para. 29(2)(a)**

F3020 Words in s. 392 substituted (19.3.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), **ss. 18(5)(a)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.; S.I. 2013/651, art. 2(a)

F3021 Word in s. 392(a) inserted (8.6.2010) by Financial Services Act 2010 (c. 28), ss. 24(1), 26(2)(e), **Sch. 2 para. 29(2)(b)**

F3022 Word in s. 392(a) omitted (14.1.2025 for specified purposes) by virtue of The Short Selling Regulations 2025 (S.I. 2025/29), reg. 2(2)(3), **Sch. 2 para. 1(6)(a)**

F3023 Word in s. 392(a) inserted (1.1.2019) by Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 4(4)(a)**, 148(5); S.I. 2018/1306, art. 2(d)

F3024 Words in s. 392(a) inserted (1.7.2021) by Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 2 para. 13(a)** (with Sch. 2 Pt. 3); S.I. 2021/671, reg. 4(b)

F3025 Word in s. 392(a) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 31(2)(b)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F3026 Words in s. 392(a) inserted (29.12.2020) by The Financial Holding Companies (Approval etc.) and Capital Requirements (Capital Buffers and Macro-prudential Measures) (Amendment) (EU Exit) Regulations 2020 (S.I. 2020/1406), regs. 1(4), **2(8)(a)** (with reg. 5)

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F3027 Words in s. 392(a) substituted (14.1.2025) by The Financial Services and Markets Act 2000 (Designated Activities) (Supervision and Enforcement) Regulations 2025 (S.I. 2025/22), reg. 1(2), **Sch. para. 21(a)**

F3028 Word in s. 392(a) inserted (6.6.2013) by The Collective Investment in Transferable Securities (Contractual Scheme) Regulations 2013 (S.I. 2013/1388), regs. 1, **3(19)(a)(i)** (with reg. 24)

F3029 Words in s. 392(a) inserted (23.2.2022) by Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 9 para. 6(a)**; S.I. 2022/163, reg. 2(a)

F3030 Word in s. 392(a) inserted (23.2.2022) by Financial Services Act 2021 (c. 22), **ss. 25(7)(a)**, 49(5); S.I. 2022/163, reg. 2(b)

F3031 Words in s. 392(a) inserted (29.6.2023 for specified purposes) by Financial Services and Markets Act 2023 (c. 29), s. 86(1)(e), **Sch. 10 para. 14(2)**

F3032 Words in s. 392(a) inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 37(a)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F3033 Word in s. 392(a) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 19(5)(a)**, 86(3); S.I. 2023/779, reg. 4(n)

F3034 Words in s. 392(a) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 13 para. 8(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F3035 Words in s. 392(a) inserted (6.6.2013) by The Collective Investment in Transferable Securities (Contractual Scheme) Regulations 2013 (S.I. 2013/1388), regs. 1, **3(19)(a)(ii)** (with reg. 24)

F3036 Words in s. 392(a) substituted (1.4.2007 for certain purposes and 1.11.2007 otherwise) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2007 (S.I. 2007/126), regs. 1(2), 3(5), **Sch. 5 para. 16(a)**

F3037 Words in s. 392(a) inserted (1.7.2021) by Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 11 para. 5(a)**; S.I. 2021/739, reg. 3(p)

F3038 S. 392(aa) inserted (30.1.2024 for specified purposes, 19.1.2026 in so far as not already in force) by The Public Offers and Admissions to Trading Regulations 2024 (S.I. 2024/105), reg. 2(2)(3), **Sch. 3 para. 19(a)** (with regs. 48-50); S.I. 2025/1078, reg. 5(b) (with reg. 12)

F3039 Word in s. 392(b) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 31(3)(a)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F3040 Word in s. 392(b) inserted (8.6.2010) by Financial Services Act 2010 (c. 28), ss. 24(1), 26(2)(e), **Sch. 2 para. 29(3)(a)**

F3041 Words in s. 392 substituted (19.3.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), **ss. 18(5)(b)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.; S.I. 2013/651, art. 2(a)

F3042 Word in s. 392(b) inserted (8.6.2010) by Financial Services Act 2010 (c. 28), ss. 24(1), 26(2)(e), **Sch. 2 para. 29(3)(b)**

F3043 Word in s. 392(b) omitted (14.1.2025 for specified purposes) by virtue of The Short Selling Regulations 2025 (S.I. 2025/29), reg. 2(2)(3), **Sch. 2 para. 1(6)(b)**

F3044 Word in s. 392(b) inserted (1.1.2019) by Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 4(4)(b)**, 148(5); S.I. 2018/1306, art. 2(d)

F3045 Words in s. 392(b) inserted (1.7.2021) by Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 2 para. 13(b)** (with Sch. 2 Pt. 3); S.I. 2021/671, reg. 4(b)

F3046 Word in s. 392(b) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 31(3)(b)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F3047 Words in s. 392(b) inserted (29.12.2020) by The Financial Holding Companies (Approval etc.) and Capital Requirements (Capital Buffers and Macro-prudential Measures) (Amendment) (EU Exit) Regulations 2020 (S.I. 2020/1406), regs. 1(4), **2(8)(b)** (with reg. 5)

F3048 Words in s. 392(b) substituted (14.1.2025) by The Financial Services and Markets Act 2000 (Designated Activities) (Supervision and Enforcement) Regulations 2025 (S.I. 2025/22), reg. 1(2), **Sch. para. 21(b)**

F3049 Word in s. 392(b) inserted (6.6.2013) by The Collective Investment in Transferable Securities (Contractual Scheme) Regulations 2013 (S.I. 2013/1388), regs. 1, **3(19)(b)(i)** (with reg. 24)

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F3050 Words in s. 392(b) inserted (23.2.2022) by Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 9 para. 6(b)**; S.I. 2022/163, reg. 2(a)
F3051 Word in s. 392(b) inserted (23.2.2022) by Financial Services Act 2021 (c. 22), **ss. 25(7)(b)**, 49(5); S.I. 2022/163, reg. 2(b)
F3052 Words in s. 392(b) inserted (29.6.2023 for specified purposes) by Financial Services and Markets Act 2023 (c. 29), s. 86(1)(e), **Sch. 10 para. 14(3)**
F3053 Words in s. 392(b) inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 37(b)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.
F3054 Word in s. 392(b) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 19(5)(b)**, 86(3); S.I. 2023/779, reg. 4(n)
F3055 Words in s. 392(b) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 13 para. 8(3)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.
F3056 Words in s. 392(b) inserted (6.6.2013) by The Collective Investment in Transferable Securities (Contractual Scheme) Regulations 2013 (S.I. 2013/1388), regs. 1, **3(19)(b)(ii)** (with reg. 24)
F3057 Words in s. 392(b) substituted (1.4.2007 for certain purposes and 1.11.2007 otherwise) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2007 (S.I. 2007/126), regs. 1(2), 3(5), **Sch. 5 para. 16(b)**
F3058 Words in s. 392(b) inserted (1.7.2021) by Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 11 para. 5(b)**; S.I. 2021/739, reg. 3(p)
F3059 S. 392(c) inserted (30.1.2024 for specified purposes, 19.1.2026 in so far as not already in force) by The Public Offers and Admissions to Trading Regulations 2024 (S.I. 2024/105), reg. 2(2)(3), **Sch. 3 para. 19(b)** (with regs. 48-50); S.I. 2025/1078, reg. 5(b) (with reg. 12)

Modifications etc. (not altering text)
C1418 Ss. 392-394 applied (with modifications) by 2009 c. 1, **s. 83ZV** (as inserted (1.1.2015) by The Bank Recovery and Resolution Order 2014 (S.I. 2014/3329), arts. 1(2), **97**)
C1419 Ss. 392-395 applied (with modifications) (26.6.2017) by The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (S.I. 2017/692), regs. 1(2), **82** (with regs. 8, 15)
C1420 S. 392 applied (with modifications) (31.5.2021) by The Civil Liability Act 2018 (Financial Conduct Authority) (Whiplash) Regulations 2021 (S.I. 2021/594), regs. 1, **2(8)(f)**
C1421 Ss. 392-395 applied (8.6.2023 for specified purposes, 7.10.2023 in so far as not already in force) by The Financial Services and Markets Act 2000 (Financial Promotion) (Amendment) Order 2023 (S.I. 2023/612), art. 1(2), **Sch. para. 1(s)** (with art. 11)
C1422 Ss. 392-394 applied (with modifications) (31.12.2023) by Financial Services and Markets Act 2023 (c. 29), s. 86(3), **Sch. 11 para. 140**; S.I. 2023/1382, **reg. 8(b)**
C1423 Ss. 392-394 applied (with modifications) (14.1.2025 for specified purposes) by The Short Selling Regulations 2025 (S.I. 2025/29), regs. 2(2)(3), 24, 25, 26, Sch. 1 Pts. 1, 2, **3**
C1424 S. 392 applied (with modifications) (1.1.2026) by The Financial Services and Markets Act 2023 (Mutual Recognition Agreement) (Switzerland) Regulations 2025 (S.I. 2025/1145), regs. 1(2), **32(8)**
C1425 S. 392(a) excluded (1.12.2001) by S.I. 2001/3592, **arts. 1(2)**, 46(2), 47(2), 48(2), 52(4), 55(2) (with art. 23(2))

393 Third party rights.

(1) If any of the reasons contained in a warning notice to which this section applies relates to a matter which—

(a) identifies a person ("the third party") other than the person to whom the notice is given, and

(b) in the opinion of the **[**F3060regulator giving the notice**]**, is prejudicial to the third party,

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a copy of the notice must be given to the third party.

(2) Subsection (1) does not require a copy to be given to the third party if the **[**F3061regulator giving the notice**]** —

(a) has given him a separate warning notice in relation to the same matter; or

(b) gives him such a notice at the same time as it gives the warning notice which identifies him.

(3) The notice copied to a third party under subsection (1) must specify a reasonable period (which may not be less than **[**F3062 14 days**]**) within which he may make representations to **[**F3063the regulator giving the notice**]**.

(4) If any of the reasons contained in a decision notice to which this section applies relates to a matter which—

(a) identifies a person ("the third party") other than the person to whom the decision notice is given, and

(b) in the opinion of **[**F3064the regulator giving the notice**]**, is prejudicial to the third party,

a copy of the notice must be given to the third party.

(5) If the decision notice was preceded by a warning notice, a copy of the decision notice must (unless it has been given under subsection (4)) be given to each person to whom the warning notice was copied.

(6) Subsection (4) does not require a copy to be given to the third party if **[**F3065the regulator giving the notice**]**—

(a) has given him a separate decision notice in relation to the same matter; or

(b) gives him such a notice at the same time as it gives the decision notice which identifies him.

(7) Neither subsection (1) nor subsection (4) requires a copy of a notice to be given to a third party if **[**F3066the regulator giving the notice**]** considers it impracticable to do so.

(8) Subsections (9) to (11) apply if the person to whom a decision notice is given has a right to refer the matter to the Tribunal.

(9) A person to whom a copy of the notice is given under this section may refer to the Tribunal—

(a) the decision in question, so far as it is based on a reason of the kind mentioned in subsection (4); or

(b) any opinion expressed by **[**F3067the regulator giving the notice**]** in relation to him.

(10) The copy must be accompanied by an indication of the third party's right to make a reference under subsection (9) and of the procedure on such a reference.

(11) A person who alleges that a copy of the notice should have been given to him, but was not, may refer to the Tribunal the alleged failure and—

(a) the decision in question, so far as it is based on a reason of the kind mentioned in subsection (4); or

(b) any opinion expressed by **[**F3068the regulator giving the notice**]** in relation to him.

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(12) Section 394 applies to a third party as it applies to the person to whom the notice to which this section applies was given, in so far as the material **[**F3069to which access must be given**]** under that section relates to the matter which identifies the third party.

(13) A copy of a notice given to a third party under this section must be accompanied by a description of the effect of section 394 as it applies to him.

(14) Any person to whom a warning notice or decision notice was copied under this section must be given a copy of a notice of discontinuance applicable to the proceedings to which the warning notice or decision notice related.

Textual Amendments

F3060 Words in s. 393(1)(b) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 32(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F3061 Words in s. 393(2) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 32(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F3062 Words in s. 393(3) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 32(3)(a)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F3063 Words in s. 393(3) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 32(3)(b)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F3064 Words in s. 393(4)(b) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 32(4)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F3065 Words in s. 393(6) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 32(4)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F3066 Words in s. 393(7) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 32(4)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F3067 Words in s. 393(9)(b) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 32(4)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F3068 Words in s. 393(11)(b) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 32(4)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F3069 Words in s. 393(12) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 32(5)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

Modifications etc. (not altering text)

C1418 Ss. 392-394 applied (with modifications) by 2009 c. 1, **s. 83ZV** (as inserted (1.1.2015) by The Bank Recovery and Resolution Order 2014 (S.I. 2014/3329), arts. 1(2), **97**)

C1419 Ss. 392-395 applied (with modifications) (26.6.2017) by The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (S.I. 2017/692), regs. 1(2), **82** (with regs. 8, 15)

C1421 Ss. 392-395 applied (8.6.2023 for specified purposes, 7.10.2023 in so far as not already in force) by The Financial Services and Markets Act 2000 (Financial Promotion) (Amendment) Order 2023 (S.I. 2023/612), art. 1(2), **Sch. para. 1(s)** (with art. 11)

C1423 Ss. 392-394 applied (with modifications) (14.1.2025 for specified purposes) by The Short Selling Regulations 2025 (S.I. 2025/29), regs. 2(2)(3), 24, 25, 26, Sch. 1 Pts. 1, 2, **3**

C1426 S. 393 applied (1.12.2001) by S.I. 2001/1228, **regs. 1(2)(c)**, 24(3) (with reg. 1(2)(3)); S.I. 2001/3538, **art. 2(1)**
S. 393 excluded (1.12.2001) by S.I. 2001/3592, **arts. 1(2)**, 38(2), 46(2), 47(2), 48(2), 52(4), 55(2) (with art. 23(2))

C1427 S. 393 applied by Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (S.I. 2001/544), art. 95(10) (as inserted (31.10.2004 for certain purposes and 14.1.2005 otherwise) by The

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Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No. 2) Order 2003 (S.I. 2003/1476), arts. 1(3), **13**)

C1428 S. 393 applied (N.I.) (1.11.2004) by Open-Ended Investment Companies Regulations (Northern Ireland) 2004 (S.R. 2004/335), regs. 1(1)(b), **24(3)** (with reg. 1(2))

C1429 S. 393 applied (1.4.2013) by The Financial Services and Markets Act 2000 (Over the Counter Derivatives, Central Counterparties and Trade Repositories) Regulations 2013 (S.I. 2013/504), regs. 1(2), **56** (with regs. 52-58)

C1430 S. 393 applied (21.11.2014) by The Central Securities Depositories Regulations 2014 (S.I. 2014/2879), regs. 1(1), **5(10)**

C1431 S. 393 applied (with modifications) by S.I. 2014/2879, **reg. 5C(10)** (as inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **5(9)** (with regs. 7(4), 9(1)))

C1432 S. 393 applied by S.I. 2018/1149, reg. 62(6) (as inserted (1.3.2019) by The Financial Services Contracts (Transitional and Saving Provision) (EU Exit) Regulations 2019 (S.I. 2019/405), regs. 1(2), **3**)

C1433 S. 393 applied (31.12.2020) by The Electronic Commerce and Solvency 2 (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/1361), regs. 1(2), **22(6)** (as amended by S.I. 2019/1390, regs. 1(2), 6); 2020 c. 1, Sch. 5 para. 1(1)

C1434 S. 393 applied (31.5.2021) by The Civil Liability Act 2018 (Financial Conduct Authority) (Whiplash) Regulations 2021 (S.I. 2021/594), regs. 1, **2(8)(g)**

C1435 Ss. 393, 394 applied (1.7.2021) by Regulation (EU) No. 600/2014, Art. 49B(9) (as inserted by Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 10 para. 9**; S.I. 2021/739, reg. 3(o))

C1436 Ss. 392-394 applied (with modifications) (31.12.2023) by Financial Services and Markets Act 2023 (c. 29), s. 86(3), **Sch. 11 para. 140**; S.I. 2023/1382, **reg. 8(b)**

C1437 S. 393 applied (temp.) (16.12.2025 for specified purposes and 29.6.2028 otherwise) by The Financial Services and Markets Act 2000 (Regulated Activities) (ESG Ratings) Order 2025 (S.I. 2025/1349), arts. 2, **16(5)**, 19(6) (with art. 20)

C1438 S. 393 applied (25.2.2026 for specified purposes) by The Financial Services and Markets Act 2000 (Cryptoassets) Regulations 2026 (S.I. 2026/102), regs. 1(2)(3), **63(6)** (with regs. 53-56)

C1439 S. 393(1) extended (1.12.2001) by S.I. 2001/3592, **arts. 1(2)**, 36(4) (with art. 23(2))

C1440 S. 393(4) applied by S.I. 2018/1201, **Sch. 3 para. 12HA(5)** (as substituted (6.9.2019) by The Financial Services (Electronic Money, Payment Services and Miscellaneous Amendments) (EU Exit) Regulations 2019 (S.I. 2019/1212), regs. 1(2), **7(8)**)

C1441 S. 393(4) applied by S.I. 2018/1201, **Sch. 3 para. 32A(5)** (as substituted (6.9.2019) by The Financial Services (Electronic Money, Payment Services and Miscellaneous Amendments) (EU Exit) Regulations 2019 (S.I. 2019/1212), regs. 1(2), **7(15)**)

394 Access to [F3070FCA or PRA] material.

(1) If **[**F3071a regulator**]** gives a person ("A") a notice to which this section applies, it must—

(a) allow him access to the material on which it relied in taking the decision which gave rise to the obligation to give the notice;

(b) allow him access to any secondary material which **[**F3072, in the regulator's opinion,**]** might undermine that decision.

(2) But **[**F3073the regulator giving the notice**]** does not have to allow A access to material under subsection (1) if the material is excluded material or it—

(a) relates to a case involving a person other than A; and

(b) was taken into account by **[**F3073the regulator giving the notice**]** in A's case only for purposes of comparison with other cases.

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(3) **[**F3074The regulator giving the notice**]** may refuse access A to particular material which it would otherwise have to allow him access to if, in its opinion, allowing him access to the material—

(a) would not be in the public interest; or

(b) would not be fair, having regard to—

(i) the likely significance of the material to A in relation to the matter in respect of which he has been given a notice to which this section applies; and

(ii) the potential prejudice to the commercial interests of a person other than A which would be caused by the material's disclosure.

(4) If **[**F3075the regulator giving the notice**]** does not allow A access to material because it is excluded material consisting of a protected item, it must give A written notice of—

(a) the existence of the protected item; and

(b) **[**F3076the regulator's**]** decision not to allow him access to it.

(5) If **[**F3077the regulator giving the notice**]** refuses under subsection (3) to allow A access to material, it must give him written notice of—

(a) the refusal; and

(b) the reasons for it.

(6) "Secondary material" means material, other than material falling within paragraph (a) of subsection (1) which—

(a) was considered by **[**F3078the regulator giving the notice**]** in reaching the decision mentioned in that paragraph; or

(b) was obtained by **[**F3079the regulator giving the notice in connection with the matter to which that notice**]** relates but which was not considered by it in reaching that decision.

(7) "Excluded material" means material which—

[F3080(a) is material the disclosure of which for the purposes of or in connection with any legal proceedings is prohibited by **[**F3081section 56 of the Investigatory Powers Act 2016**]**; or**]**

(c) is a protected item (as defined in section 413).

Textual Amendments

F3070 Words in s. 394 heading substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 33(8)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F3071 Words in s. 394(1) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 33(2)(a)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F3072 Words in s. 394(1)(b) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 33(2)(b)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F3073 Words in s. 394(2) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 33(3)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F3074 Words in s. 394(3) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 33(4)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F3075 Words in s. 394(4) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 33(5)(a)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F3076 Words in s. 394(4) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 33(5)(b)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

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F3077 Words in s. 394(5) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 33(6)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F3078 Words in s. 394(6)(a) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 33(7)(a)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F3079 Words in s. 394(6)(b) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 33(7)(b)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F3080 S. 394(7)(a) substituted (2.10.2000) for s. 394(7)(a)(b) by 2000 c. 23, s. 82, **Sch. 4 para. 11** (with s. 82(3)); S.I. 2000/2543, **art. 3**

F3081 Words in s. 394(7)(a) substituted (27.6.2018) by Investigatory Powers Act 2016 (c. 25), s. 272(1), **Sch. 10 para. 43** (with Sch. 9 paras. 7, 8, 10); S.I. 2018/652, reg. 12(g)(iii)

Modifications etc. (not altering text)

C1418 Ss. 392-394 applied (with modifications) by 2009 c. 1, **s. 83ZV** (as inserted (1.1.2015) by The Bank Recovery and Resolution Order 2014 (S.I. 2014/3329), arts. 1(2), **97**)

C1419 Ss. 392-395 applied (with modifications) (26.6.2017) by The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (S.I. 2017/692), regs. 1(2), **82** (with regs. 8, 15)

C1421 Ss. 392-395 applied (8.6.2023 for specified purposes, 7.10.2023 in so far as not already in force) by The Financial Services and Markets Act 2000 (Financial Promotion) (Amendment) Order 2023 (S.I. 2023/612), art. 1(2), **Sch. para. 1(s)** (with art. 11)

C1423 Ss. 392-394 applied (with modifications) (14.1.2025 for specified purposes) by The Short Selling Regulations 2025 (S.I. 2025/29), regs. 2(2)(3), 24, 25, 26, Sch. 1 Pts. 1, 2, **3**

C1435 Ss. 393, 394 applied (1.7.2021) by Regulation (EU) No. 600/2014, Art. 49B(9) (as inserted by Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 10 para. 9**; S.I. 2021/739, reg. 3(o))

C1442 S. 394 applied (1.12.2001) by S.I. 2001/1228, **regs. 1(2)(c)**, 24(3) (with reg. 1(2)(3)); S.I. 2001/3538, **art. 2(1)**

S. 394 excluded (1.12.2001) by S.I. 2001/3592, **arts. 1(2)**, 36(3), 38(2), 46(2), 47(2), 48(2), 52(4), 55(2) (with art. 23(2))

C1443 S. 394 applied by Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (S.I. 2001/544), art. 95(10) (as inserted (31.10.2004 for certain purposes and 14.1.2005 otherwise) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No. 2) Order 2003 (S.I. 2003/1476), arts. 1(3), **13**)

C1444 S. 394 applied (N.I.) (1.11.2004) by Open-Ended Investment Companies Regulations (Northern Ireland) 2004 (S.R. 2004/335), regs. 1(1)(b), **24(3)** (with reg. 1(2))

C1445 S. 394 applied (1.4.2013) by The Financial Services and Markets Act 2000 (Over the Counter Derivatives, Central Counterparties and Trade Repositories) Regulations 2013 (S.I. 2013/504), regs. 1(2), **56** (with regs. 52-58)

C1446 S. 394 applied (21.11.2014) by The Central Securities Depositories Regulations 2014 (S.I. 2014/2879), regs. 1(1), **5(10)**

C1447 S. 394 applied (with modifications) by S.I. 2014/2879, reg. 5C(10) (as inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **5(9)** (with regs. 7(4), 9(1)))

C1448 S. 394 applied (31.5.2021) by The Civil Liability Act 2018 (Financial Conduct Authority) (Whiplash) Regulations 2021 (S.I. 2021/594), regs. 1, **2(8)(h)**

C1449 Ss. 392-394 applied (with modifications) (31.12.2023) by Financial Services and Markets Act 2023 (c. 29), s. 86(3), **Sch. 11 para. 140**; S.I. 2023/1382, **reg. 8(b)**

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The [F3082FCA's and PRA's] procedures

Textual Amendments

F3082 Words in s. 395 cross-heading substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 34(15)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

395 The [F3083FCA's and PRA's] procedures.

[F3084(1) Each regulator must determine the procedure that it proposes to follow in relation to the following—

(a) a decision which gives rise to an obligation to give a supervisory notice,

(b) in the case of the FCA, a decision which—

(i) gives rise to an obligation for it to give a warning notice or decision notice, or

(ii) gives rise to an obligation for the PRA to include a statement under section 387(1A) in a warning notice or a statement under section 388(1A) in a decision notice,

(c) in the case of the PRA, a decision which gives rise to an obligation for it to give a warning notice or decision notice, other than a decision which depends entirely on a decision of the FCA of the kind mentioned in paragraph (b)(ii), and

(d) a decision under section 391(1)(c) to publish information about the matter to which a warning notice relates.**]**

(2) That procedure must be designed to secure, among other things **[**F3085that—

(a) a decision falling within any of paragraphs (a) to (c) of subsection (1) is taken—

(i) by a person not directly involved in establishing the evidence on which the decision is based, or

(ii) by 2 or more persons who include a person not directly involved in establishing that evidence,

(b) a decision falling within paragraph (d) of subsection (1) is taken—

(i) by a person other than the person by whom the decision was first proposed, or

(ii) by 2 or more persons not including the person by whom the decision was first proposed, and

(c) a decision falling within paragraph (d) of subsection (1) is taken in accordance with a procedure which is, as far as possible, the same as that applicable to a decision which gives rise to an obligation to give a warning notice and which falls within paragraph (b) or (c) of subsection (1).**]**

(3) But the procedure may permit a decision which gives rise to an obligation to give a supervisory notice to be **[**F3086taken otherwise than as mentioned in subsection (2) if the person taking the decision is of a level of seniority laid down by the procedure and—

(a) in the case of procedure proposed by the FCA, the FCA considers that, in the particular case, it is necessary in order to advance one or more of its operational objectives, or

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(b) in the case of procedure proposed by the PRA, the PRA considers that, in the particular case, it is necessary in order to advance any of its objectives.**]**

(4) A level of seniority laid down by the procedure for the purposes of subsection (3)(b) must be appropriate to the importance of the decision.

(5) **[**F3087Each regulator**]** must issue a statement of **[**F3088its procedure**]**.

(6) The statement must be published in the way appearing to **[**F3089the regulator issuing it**]** to be best calculated to bring **[**F3090the statement**]** to the attention of the public.

(7) **[**F3091The regulator issuing the statement**]** may charge a reasonable fee for providing a person with a copy of the statement.

(8) **[**F3092The regulator issuing a statement under this section**]** must, without delay, give the Treasury a copy of **[**F3093the statement**]**.

(9) When **[**F3094a regulator gives**]** a supervisory notice, or a warning notice or decision notice, **[**F3095other than a warning notice or decision notice relating to a decision of the PRA that is required by a a decision of the FCA of the kind mentioned in subsection (1)(b)(ii)**][**F3096the regulator**]** must follow its stated procedure.

[F3097(9A) When the FCA takes a decision falling within subsection (1)(b)(ii), it must follow its stated procedure.**]**

(10) If **[**F3098a regulator**]** changes **[**F3099its procedure**]** in a material way, it must publish a revised statement.

(11) **[**F3100A regulator's**]** failure in a particular case to follow its procedure as set out in the latest published statement does not affect the validity of a notice given in that case.

(12) But subsection (11) does not prevent the Tribunal from taking into account any such failure in considering a matter referred to it.

(13) "Supervisory notice" means a notice **[**F3101or notification**]** given in accordance with section—

[F3102(za) 55XA(1) or (5) (where subsection (6) applies);**]**
[F3103(a) 55Y(4), (7) or (8)(b);**]**
[F3104(aa) 63ZC(4), (8) or (9)(b);**]**
[F3105(ab) 71H(2), (3), (4), (9) or (11)(a);**]**
[F3106(ac) section 71V or 71X;**]**
(b) 78(2) or (5);
[F3107(bza) 78A(2) or (8)(b);**]**
[F3108(bzb) section 88F(2), (5) or (6)(b);**]**
[F3109(bzc) section 89V(2), (5) or (6)(b);**]**
F3110(ba) . . . . . .
F3111(bb) . . . . . .
[F3112(bbza) 122I;**]**
[F3113(bbzb) section 122IA;**]**
[F3114(bbzc) 131W;**]**
[F3115(bba) section 137S(5) or (8)(a);**]**
[F3116(bbb) section 143O(3), (6) or (8)(b);**]**
[F3117(bc) 191B(1);**]**

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[F3118(bd) section 192U(1), (7) or (8);]
(c) 197(3), (6) or (7)(b);
(d) 259(3), (8) or (9)(b);
[F3119(da) 261Z1(3), (8) or (9)(b);]
F3120(e) . . . . . .
[F3121(ea) section 271M(3), (6) or (7)(b);]
(f) 282(3), (6) or (7)(b);
[F3122(fa) 301J(1);]
[F3123(fb) 309R (5), (8) or (10)(b);]
(g) 321(2) or (5);
[F3124(j) regulation 38 of the Public Offers and Admissions to Trading Regulations 2024.]

Textual Amendments

F3083 Words in s. 395 heading substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 34(14)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F3084 S. 395(1) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 34(2)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F3085 Words in s. 395(2) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 34(3)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F3086 Words in s. 395(3) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 34(4)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F3087 Words in s. 395(5) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 34(5)(a)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F3088 Words in s. 395(5) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 34(5)(b)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F3089 Words in s. 395(6) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 34(6)(a)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F3090 Words in s. 395(6) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 34(6)(b)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F3091 Words in s. 395(7) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 34(7)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F3092 Words in s. 395(8) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 34(8)(a)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F3093 Words in s. 395(8) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 34(8)(b)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F3094 Words in s. 395(9) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 34(9)(a)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

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F3095 Words in s. 395(9) inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 34(9)(b)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F3096 Words in s. 395(9) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 34(9)(c)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F3097 S. 395(9A) inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 34(10)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F3098 Words in s. 395(10) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 34(11)(a)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F3099 Words in s. 395(10) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 34(11)(b)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F3100 Words in s. 395(11) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 34(12)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F3101 Words in s. 395(13) inserted (19.3.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), **ss. 17(3)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.; S.I. 2013/651, art. 2(a)

F3102 S. 395(13)(za) inserted (27.2.2018) by The Financial Services and Markets Act 2000 (Benchmarks) Regulations 2018 (S.I. 2018/135), regs. 1(2), **47**

F3103 S. 395(13)(a) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 34(13)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F3104 S. 395(13)(aa) inserted (7.3.2016) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 3 para. 14**; S.I. 2015/490, art. 2(1)(b) (with savings and transitional provisions in S.I. 2015/492 (as amended by S.I. 2015/1660))

F3105 S. 395(13)(ab) inserted (16.12.2016) by The Bank Recovery and Resolution Order 2016 (S.I. 2016/1239), arts. 1(2), **35**

F3106 S. 395(13)(ac) inserted (14.1.2025) by The Financial Services and Markets Act 2000 (Designated Activities) (Supervision and Enforcement) Regulations 2025 (S.I. 2025/22), reg. 1(2), **Sch. para. 22**

F3107 S. 395(13)(bza) inserted (12.7.2007) by The Regulatory Reform (Financial Services and Markets Act 2000) Order 2007 (S.I. 2007/1973), **art. 8**

F3108 S. 395(13)(bzb) inserted (19.3.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), **ss. 18(6)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.; S.I. 2013/651, art. 2(a)

F3109 S. 395(13)(bzc) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 19(2)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F3110 S. 395(13)(ba) omitted (3.7.2016) by virtue of The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **10(18)(a)**

F3111 S. 395(13)(bb) omitted (30.1.2024 for specified purposes, 19.1.2026 in so far as not already in force) by virtue of The Public Offers and Admissions to Trading Regulations 2024 (S.I. 2024/105), reg. 2(2)(3), **Sch. 3 para. 20(a)** (with regs. 48-50); S.I. 2025/1078, reg. 5(b) (with reg. 12)

F3112 S. 395(13)(bbza) inserted (3.7.2016) by The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **10(18)(b)**

F3113 S. 395(13)(bbzb) inserted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 2 para. 47** (with reg. 7)

F3114 S. 395(13)(bbzc) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), s. 86(2)(c), **Sch. 8 para. 8**

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F3115 S. 395(13)(bba) inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), **ss. 24(3)**, 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F3116 S. 395(13)(bbb) inserted (1.7.2021) by Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 2 para. 14** (with Sch. 2 Pt. 3); S.I. 2021/671, reg. 4(b)

F3117 S. 395(13)(bc) inserted (21.3.2009) by The Financial Services and Markets Act 2000 (Controllers) Regulations 2009 (S.I. 2009/534), **reg. 6(a)**

F3118 S. 395(13)(bd) inserted (29.12.2020) by The Financial Holding Companies (Approval etc.) and Capital Requirements (Capital Buffers and Macro-prudential Measures) (Amendment) (EU Exit) Regulations 2020 (S.I. 2020/1406), regs. 1(4), **2(9)** (with reg. 5)

F3119 S. 395(13)(da) inserted (6.6.2013) by The Collective Investment in Transferable Securities (Contractual Scheme) Regulations 2013 (S.I. 2013/1388), regs. 1, **3(20)** (with reg. 24)

F3120 S. 395(13)(e) omitted (31.12.2020) by virtue of The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), **29** (with reg. 70) (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F3121 S. 395(13)(ea) inserted (23.2.2022) by Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 9 para. 7**; S.I. 2022/163, reg. 2(a)

F3122 S. 395(13)(fa) inserted (21.3.2009) by The Financial Services and Markets Act 2000 (Controllers) Regulations 2009 (S.I. 2009/534), **reg. 6(b)**

F3123 S. 395(13)(fb) inserted (29.6.2023 for specified purposes) by Financial Services and Markets Act 2023 (c. 29), s. 86(1)(e), **Sch. 10 para. 15**

F3124 S. 395(13)(j) inserted (30.1.2024 for specified purposes, 19.1.2026 in so far as not already in force) by The Public Offers and Admissions to Trading Regulations 2024 (S.I. 2024/105), reg. 2(2)(3), **Sch. 3 para. 20(b)** (with regs. 48-50); S.I. 2025/1078, reg. 5(b) (with reg. 12)

Modifications etc. (not altering text)

C1419 Ss. 392-395 applied (with modifications) (26.6.2017) by The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (S.I. 2017/692), regs. 1(2), **82** (with regs. 8, 15)

C1421 Ss. 392-395 applied (8.6.2023 for specified purposes, 7.10.2023 in so far as not already in force) by The Financial Services and Markets Act 2000 (Financial Promotion) (Amendment) Order 2023 (S.I. 2023/612), art. 1(2), **Sch. para. 1(s)** (with art. 11)

C1450 S. 395 applied (1.12.2001) by S.I. 2001/1228, **regs. 1(2)(c)**, 10 (with reg. 1(2)(3)); S.I. 2001/3538, **art. 2(1)**
S. 395 amended (1.12.2001) by S.I. 2001/1228, **regs. 1(2)(c)**, 27(15) (with reg. 1(2)(3)); S.I. 2001/3538, **art. 2(1)**

C1451 S. 395 applied (N.I.) (1.11.2004) by Open-Ended Investment Companies Regulations (Northern Ireland) 2004 (S.R. 2004/335), regs. 1(1)(b), **10** (with reg. 1(2))

C1452 S. 395 modified (N.I.) (1.11.2004) by Open-Ended Investment Companies Regulations (Northern Ireland) 2004 (S.R. 2004/335), regs. 1(1)(b), **27(15)** (with reg. 1(2))

C1453 S. 395 applied (with modifications) (14.1.2025 for specified purposes) by The Short Selling Regulations 2025 (S.I. 2025/29), regs. 2(2)(3), 24, 25, 26, Sch. 1 Pts. 1, 2, **3**

C1454 S. 395 applied (with modifications) (1.1.2026) by The Financial Services and Markets Act 2023 (Mutual Recognition Agreement) (Switzerland) Regulations 2025 (S.I. 2025/1145), regs. 1(2), **32(9)**

C1455 S. 395(1)(9) excluded (1.12.2001) by S.I. 2001/2957, **arts. 1**, 12(9); S.I. 2001/3538, **art. 2(1)**

C1456 S. 395(1)(d): power to repeal conferred (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 37(2)(b)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

C1457 S. 395(2)(b): power to repeal conferred (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 37(2)(b)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

C1458 S. 395(2)(c): power to repeal conferred (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 37(2)(b)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

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396 Statements under section 395: consultation.

(1) Before issuing a statement of **[**F3125its**]** procedure under section 395, **[**F3126the regulator**]** must publish a draft of the proposed statement in the way appearing to **[**F3127it**]** to be best calculated to bring **[**F3128the draft**]** to the attention of the public.

(2) The draft must be accompanied by notice that representations about the proposal may be made to the **[**F3129regulator publishing the draft**]** within a specified time.

(3) **[**F3130Before a regulator issues the proposed statement of its procedure, it**]** must have regard to any representations made to it in accordance with subsection (2).

(4) If the **[**F3131regulator issues the proposed statement of its procedure,**]** it must publish an account, in general terms, of—

(a) the representations made to it in accordance with subsection (2); and

(b) its response to them.

(5) If the **[**F3132statement of the regulator's procedure differs from the draft published by it**]** under subsection (1) in a way which is **[**F3133, in its opinion,**]** significant, **[**F3134it must**]** (in addition to complying with subsection (4)) publish details of the difference.

(6) **[**F3135The regulator publishing a draft under subsection (1)**]** may charge a reasonable fee for providing a person with a copy of **[**F3136the draft**]**.

(7) This section also applies to a proposal to revise a statement of policy.

Textual Amendments

F3125 Word in s. 396(1) inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 35(2)(a)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F3126 Words in s. 396(1) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 35(2)(b)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F3127 Word in s. 396(1) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 35(2)(c)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F3128 Words in s. 396(1) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 35(2)(d)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F3129 Words in s. 396(2) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 35(3)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F3130 Words in s. 396(3) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 35(4)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F3131 Words in s. 396(4) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 35(5)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F3132 Words in s. 396(5) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 35(6)(a)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F3133 Words in s. 396(5) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 35(6)(b)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F3134 Words in s. 396(5) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 35(6)(c)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F3135 Words in s. 396(6) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 35(7)(a)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F3136 Words in s. 396(6) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 35(7)(b)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

Modifications etc. (not altering text)

C1459 S. 396 applied (with modifications) (14.1.2025 for specified purposes) by The Short Selling Regulations 2025 (S.I. 2025/29), regs. 2(2)(3), 24, 25, 26, Sch. 1 Pts. 1, 2, **3**

PART XXVII

OFFENCES

Modifications etc. (not altering text)

C1460 Pt. 27 applied (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No. 2) Order 2013 (S.I. 2013/1881), arts. 1(2)(6), **50(3)**

C1461 Pt. 27 applied (with modifications) (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services Act 2012 (Consumer Credit) Order 2013 (S.I. 2013/1882), arts. 1(1), **3(12)**

C1462 Pt. 27 modified (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 1 para. 23** (with reg. 7)

C1463 Pt. 27 applied (with modifications) (3.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Data Reporting Services Regulations 2017 (S.I. 2017/699), regs. 1(2)(a)(b), **38**

C1464 Pt. 27 applied (with modifications) (27.2.2018) by The Financial Services and Markets Act 2000 (Benchmarks) Regulations 2018 (S.I. 2018/135), regs. 1(2), **24**

C1465 Pt. 27 applied (with modifications) (10.6.2019) by The Proxy Advisors (Shareholders Rights) Regulations 2019 (S.I. 2019/926), regs. 1, **20**, 27

C1466 Pt. 27 applied (with modifications) (31.12.2020) by The Transparency of Securities Financing Transactions and of Reuse (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/542), regs. 1, **38** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

C1467 Pt. 27 applied (with modifications) (31.12.2020) by The Over the Counter Derivatives, Central Counterparties and Trade Repositories (Amendment, etc., and Transitional Provision) (EU Exit) Regulations 2019 (S.I. 2019/335), regs. 1(1), **77** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

C1468 Pt. 27 applied (with modifications) (5.4.2024) by The Data Reporting Services Regulations 2024 (S.I. 2024/107), regs. 1(2), **24**; S.I. 2023/1382, **reg. 4(c)**

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Miscellaneous offences

F3137 397 Misleading statements and practices.

. . . . . .

Textual Amendments

F3137 S. 397 repealed (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 95**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

398 Misleading [F3138 FCA or PRA]: residual cases.

(1) A person who, in purported compliance with any requirement **[**F3139 falling within subsection (1A)**]** knowingly or recklessly gives **[**F3140 a regulator**]** information which is false or misleading in a material particular is guilty of an offence.

[F3141 (1A) A requirement falls within this subsection if it is imposed by or under—

(a) this Act;

(b) the Alternative Investment Fund Managers Regulations 2013;

[F3142 (ba) the Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701);**]**

(c) the **[**F3143 short selling regulation**][**F3143 Short Selling Regulations 2025**]**;

(d) Regulation (EU) No 345/2013 of the European Parliament and the Council of 17 April 2013 on European venture capital funds; F3144 ...

(e) Regulation (EU) No 346/2013 of the European Parliament and the Council of 17 April 2013 on European social entrepreneurship funds **[**F3145, F3146 ...**]**

[F3147 (ea) any EU regulation, originally made under the markets in financial instruments directive, which is **[**F3148 assimilated direct**]** legislation;**]**

[F3149 (eb) any of the following—

(i) the markets in financial instruments regulation,

(ii) any EU regulation, originally made under the markets in financial instruments regulation, which is **[**F3150 assimilated direct**]** legislation, and

(iii) any subordinate legislation (within the meaning of the Interpretation Act 1978) made under the markets in financial instruments regulation on or after IP completion day;**]**

F3151 (f) . . . . . **[**F3152, F3153 ...

(g) the market abuse regulation**]**; F3154 ...

[F3155 (h) the EU Benchmarks Regulation 2016**][**F3156; F3157 ...**]**

[F3158 (i) the MMF Regulation**][**F3159, F3160 ...**]**

F3161 (j) . . . . . .**]**

(2) Subsection (1) applies only to a requirement in relation to which no other provision of this Act creates an offence in connection with the giving of information.

(3) A person guilty of an offence under this section is liable—

(a) on summary conviction, to a fine not exceeding the statutory maximum;

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(b) on conviction on indictment, to a fine.

Textual Amendments

F3138 Words in s. 398 heading substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 36(3)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F3139 Words in s. 398(1) substituted (22.7.2013) by The Alternative Investment Fund Managers Regulations 2013 (S.I. 2013/1773), reg. 1, **Sch. 1 para. 30(a)**

F3140 Words in s. 398(1) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 36(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F3141 S. 398(1A) inserted (22.7.2013) by The Alternative Investment Fund Managers Regulations 2013 (S.I. 2013/1773), reg. 1, **Sch. 1 para. 30(b)**

F3142 S. 398(1A)(ba) inserted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 2 para. 48(a)** (with reg. 7) (as amended (2.1.2018) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) (No.2) Regulations 2017 (S.I. 2017/1255), regs. 2(a), 36)

F3143 Words in s. 398(1A)(c) substituted (14.1.2025 for specified purposes) by The Short Selling Regulations 2025 (S.I. 2025/29), reg. 2(2)(3), **Sch. 2 para. 1(7)**

F3144 Word in s. 398(1A)(d) omitted (3.12.2015) by virtue of The European Long-term Investment Funds Regulations 2015 (S.I. 2015/1882), regs. 1, **3(4)(a)**

F3145 Word in s. 398(1A)(e) inserted (3.12.2015) by The European Long-term Investment Funds Regulations 2015 (S.I. 2015/1882), regs. 1, **3(4)(b)**

F3146 Word in s. 398(1A) omitted (3.7.2016) by virtue of The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **10(19)(a)**

F3147 S. 398(1A)(ea) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **80(2)(a)**; 2020 c. 1, Sch. 5 para. 1(1)

F3148 Words in s. 398(1A)(ea) substituted (1.1.2024) by The Retained EU Law (Revocation and Reform) Act 2023 (Consequential Amendment) Regulations 2023 (S.I. 2023/1424), reg. 1(2), **Sch. para. 44(4)(u)**

F3149 S. 398(1A)(eb) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **80(2)(b)** (as amended by S.I. 2020/1301, regs. 1, 3, **Sch. para. 33(h)**); 2020 c. 1, **Sch. 5 para. 1(1)**

F3150 Words in s. 398(1A)(eb)(ii) substituted (1.1.2024) by The Retained EU Law (Revocation and Reform) Act 2023 (Consequential Amendment) Regulations 2023 (S.I. 2023/1424), reg. 1(2), **Sch. para. 44(4)(u)**

F3151 S. 398(1A)(f) omitted (1.1.2024) by virtue of The Financial Services and Markets Act 2023 (Consequential Amendments) Regulations 2023 (S.I. 2023/1410), regs. 1(2), **2(6)**

F3152 S. 398(1A)(g) and word inserted (3.7.2016) by The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **10(19)(b)**

F3153 Word in s. 398(1A)(f) omitted (27.2.2018) by virtue of The Financial Services and Markets Act 2000 (Benchmarks) Regulations 2018 (S.I. 2018/135), regs. 1(2), **48(2)**

F3154 Word in s. 398(1A)(g) omitted (28.6.2018 for specified purposes, 21.7.2018 in so far as not already in force) by virtue of The Money Market Funds Regulations 2018 (S.I. 2018/698), regs. 1(2), **2(16)(a)**

F3155 S. 398(1A)(h) inserted (27.2.2018) by The Financial Services and Markets Act 2000 (Benchmarks) Regulations 2018 (S.I. 2018/135), regs. 1(2), **48(4)**

F3156 Word in s. 398(1A)(h) inserted (28.6.2018 for specified purposes, 21.7.2018 in so far as not already in force) by The Money Market Funds Regulations 2018 (S.I. 2018/698), regs. 1(2), **2(16)(b)**

F3157 Word in s. 398(1A)(h) omitted (21.7.2019) by virtue of The Financial Services and Markets Act 2000 (Prospectus) Regulations 2019 (S.I. 2019/1043), regs. 1(1), **34(2)(a)** (with reg. 40)

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F3158 S. 398(1A)(i) inserted (28.6.2018 for specified purposes, 21.7.2018 in so far as not already in force) by The Money Market Funds Regulations 2018 (S.I. 2018/698), regs. 1(2), **2(16)(c)**

F3159 Word in s. 398(1A)(i) inserted (21.7.2019) by The Financial Services and Markets Act 2000 (Prospectus) Regulations 2019 (S.I. 2019/1043), regs. 1(1), **34(2)(b)** (with reg. 40)

F3160 Word in s. 398(1A)(i) omitted (30.1.2024 for specified purposes, 19.1.2026 in so far as not already in force) by virtue of The Public Offers and Admissions to Trading Regulations 2024 (S.I. 2024/105), reg. 2(2)(3), **Sch. 3 para. 21(a)** (with regs. 48-50); S.I. 2025/1078, reg. 5(b) (with reg. 12)

F3161 S. 398(1A)(j) omitted (30.1.2024 for specified purposes, 19.1.2026 in so far as not already in force) by virtue of The Public Offers and Admissions to Trading Regulations 2024 (S.I. 2024/105), reg. 2(2)(3), **Sch. 3 para. 21(b)** (with regs. 48-50); S.I. 2025/1078, reg. 5(b) (with reg. 12)

Modifications etc. (not altering text)

C1469 S. 398 extended (1.12.2001) by S.I. 2001/3646, **arts. 1(2)**, 3(3)(b)(4)
S. 398 excluded (1.12.2001) by S.I. 2001/3646, **arts. 1(2)**, 2(6)

C1470 S. 398 modified (18.7.2002 for certain purposes and 21.8.2002 otherwise) by The Electronic Commerce Directive (Financial Services and Markets) Regulations 2002 (S.I. 2002/1775), regs. 1, **12(2)**

C1471 S. 398 applied (with modifications) (7.6.2010) by The Credit Rating Agencies Regulations 2010 (S.I. 2010/906), **reg. 25**

C1472 S. 398 applied (1.11.2012) by The Financial Services and Markets Act 2000 (Short Selling) Regulations 2012 (S.I. 2012/2554), regs. 1(1), **5(5)**

C1473 S. 398 applied (1.1.2014) by The Capital Requirements Regulations 2013 (S.I. 2013/3115), regs. 1(2), **45**

C1474 S. 398 modified (20.4.2015 for specified purposes, 21.12.2015 for specified purposes, 21.3.2016 in so far as not already in force) by The Mortgage Credit Directive Order 2015 (S.I. 2015/910), arts. 1(5), **23(1)(e)** (with Pt. 4)

C1475 S. 398 applied (3.7.2016) by The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **6(5)**

C1476 S. 398 applied (18.9.2016) by The Payment Accounts Regulations 2015 (S.I. 2015/2038), reg. 1(2)(b), **Sch. 7 para. 5**

C1477 S. 398 applied (with modifications) (1.1.2018) by The Packaged Retail and Insurance-based Investment Products Regulations 2017 (S.I. 2017/1127), reg. 1, **Sch. 1 para. 7(1)**

C1478 S. 398 applied (14.11.2018) by The Central Counterparties (Amendment, etc., and Transitional Provision) (EU Exit) Regulations 2018 (S.I. 2018/1184), regs. 1(3), **23**

C1479 S. 398 modified (29.11.2018 for specified purposes, 1.4.2019 in so far as not already in force) by The Financial Services and Markets Act 2000 (Claims Management Activity) Order 2018 (S.I. 2018/1253), arts. 1(2)(3), **55(8)**

C1480 S. 398 applied (7.12.2018) by The Trade Repositories (Amendment and Transitional Provision) (EU Exit) Regulations 2018 (S.I. 2018/1318), regs. 1(2), **20** (as amended (27.11.2020) by S.I. 2020/1385, regs. 1(2), **47(3)**)

C1481 S. 398 applied (1.1.2019) by The Securitisation Regulations 2018 (S.I. 2018/1288), reg. 1, **Sch. 1 para. 8(1)** (with reg. 11, Sch. 1 paras. 13, 14)

C1482 S. 398 applied (22.2.2019) by The Financial Markets and Insolvency (Amendment and Transitional Provision) (EU Exit) Regulations 2019 (S.I. 2019/341), regs. 1(2), **20** (with reg. 21)

C1483 S. 398 applied (with modifications) (30.9.2020) by The Equivalence Determinations for Financial Services (Amendment etc.) (EU Exit) Regulations 2020 (S.I. 2020/1055), regs. 1(2), **6(1)**(2)(4)

C1484 S. 398 applied (27.11.2020) by The Securities Financing Transactions, Securitisation and Miscellaneous Amendments (EU Exit) Regulations 2020 (S.I. 2020/1385), regs. 1(2), **25**

C1485 S. 398 applied by S.I. 2020/1055, **reg. 6A** (as inserted (27.11.2020) by The Securities Financing Transactions, Securitisation and Miscellaneous Amendments (EU Exit) Regulations 2020 (S.I. 2020/1385), regs. 1(2), **70(3)**)

C1486 S. 398 applied (27.11.2020) by The Securities Financing Transactions, Securitisation and Miscellaneous Amendments (EU Exit) Regulations 2020 (S.I. 2020/1385), regs. 1(2), **34**

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C1487 S. 398 applied (31.5.2021) by The Civil Liability Act 2018 (Financial Conduct Authority) (Whiplash) Regulations 2021 (S.I. 2021/594), regs. 1, **2(9)(a)**

C1488 S. 398 applied (30.1.2024 for specified purposes, 1.11.2024 in so far as not already in force) by The Securitisation Regulations 2024 (S.I. 2024/102), reg. 2(1)(e)(2), **Sch. 1 para. 13(1)** (with reg. 52(3), Sch. 3); as amended by S.I. 2024/705, regs. 1(2), 2(2)

C1489 S. 398(1)(3) applied (1.12.2001) by S.I. 1995/1537, **reg. 23(5)** (as amended (1.12.2001) by S.I. 2001/3649, **arts. 1**, 509(f))

C1490 S. 398(1)(3) applied (6.3.2008) by The Regulated Covered Bonds Regulations 2008 (S.I. 2008/346), **reg. 38(1)**

C1491 S. 398(1) applied (14.2.2019) by The Credit Rating Agencies (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/266), regs. 1(2), **45** (as amended (27.11.2020) by S.I. 2020/1385, regs. 1(2), **50(4)**)

C1492 S. 398(1) applied (31.12.2020) by The Credit Rating Agencies (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/266), regs. 1(3), **21** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

C1493 S. 398(1A)(b) modified (30.1.2024 for specified purposes, 1.11.2024 in so far as not already in force) by The Securitisation Regulations 2024 (S.I. 2024/102), regs. 2(1)(e)(2), **34(7)**(8)(f) (with Sch. 3); as amended by S.I. 2024/705, regs. 1(2), 2(2)

399 Misleading [F3162the CMA].

Section 44 of the M37Competition Act 1998 (offences connected with the provision of false or misleading information) applies in relation to any function of **[**F3163the Competition and Markets Authority**]** under this Act as if it were a function under Part I of that Act.

Textual Amendments

F3162 Words in s. 399 heading substituted (1.4.2014) by The Enterprise and Regulatory Reform Act 2013 (Competition) (Consequential, Transitional and Saving Provisions) Order 2014 (S.I. 2014/892), art. 1(1), **Sch. 1 para. 130(b)** (with art. 3)

F3163 Words in s. 399 substituted (1.4.2014) by The Enterprise and Regulatory Reform Act 2013 (Competition) (Consequential, Transitional and Saving Provisions) Order 2014 (S.I. 2014/892), art. 1(1), **Sch. 1 para. 130(a)** (with art. 3)

Modifications etc. (not altering text)

C1494 S. 399 excluded (1.1.2019) by The Securitisation Regulations 2018 (S.I. 2018/1288), reg. 1, **Sch. 1 para. 8(2)** (with Sch. 1 paras. 13, 14)

Marginal Citations

M37 1998 c. 41.

Bodies corporate and partnerships

400 Offences by bodies corporate etc.

(1) If an offence under this Act committed by a body corporate is shown—

(a) to have been committed with the consent or connivance of an officer, or

(b) to be attributable to any neglect on his part,

the officer as well as the body corporate is guilty of the offence and liable to be proceeded against and punished accordingly.

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(2) If the affairs of a body corporate are managed by its members, subsection (1) applies in relation to the acts and defaults of a member in connection with his functions of management as if he were a director of the body.

(3) If an offence under this Act committed by a partnership is shown—

(a) to have been committed with the consent or connivance of a partner, or

(b) to be attributable to any neglect on his part,

the partner as well as the partnership is guilty of the offence and liable to be proceeded against and punished accordingly.

(4) In subsection (3) "partner" includes a person purporting to act as a partner.

(5) "Officer", in relation to a body corporate, means—

(a) a director, member of the committee of management, chief executive, manager, secretary or other similar officer of the body, or a person purporting to act in any such capacity; and

(b) an individual who is a controller of the body.

(6) If an offence under this Act committed by an unincorporated association (other than a partnership) is shown—

(a) to have been committed with the consent or connivance of an officer of the association or a member of its governing body, or

(b) to be attributable to any neglect on the part of such an officer or member,

that officer or member as well as the association is guilty of the offence and liable to be proceeded against and punished accordingly.

[F3164(6A) References in this section to an offence under this Act include a reference to an offence under Part 7 of the Financial Services Act 2012 (offences relating to financial services).**]**

(7) Regulations may provide for the application of any provision of this section, with such modifications as the Treasury consider appropriate, to a body corporate or unincorporated association formed or recognised under the law of a territory outside the United Kingdom.

Textual Amendments

F3164 S. 400(6A) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 37** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

Modifications etc. (not altering text)

C1495 S. 400 applied (3.9.2001 for specified purposes otherwise 1.12.2001) by S.I. 2001/1228, **regs. 1(2)(b)(c)**, 81 (with reg. 1(2)(3)); S.I. 2001/2632, art. 2(2), **Sch. Pt. 2**; S.I. 2001/3538, **art. 2(1)**
S. 400 applied (1.12.2001) by S.I. 1995/1537, **reg. 23(6)** (as amended (1.12.2001) by S.I. 2001/3649, **arts. 1**, 509(g))
S. 400 amended (1.12.2001) by S.I. 2001/2657, **arts. 1(1)**, 10(8), 11(8) (which was revoked (8.10.2001) by S.I. 2001/3083, **arts. 1(2)**, 23); S.I. 2001/3538, **art. 2(1)**
S. 400 amended (1.12.2001) by S.I. 2001/3083, **arts. 1(2)**, 10(8), 11(8); S.I. 2001/3538, **art. 2(1)**
S. 400 modified (1.12.2001) by S.I. 2001/3646, **arts. 1(1)**, 12(2), 13(3)

C1496 S. 400 applied (N.I.) (1.11.2004) by Open-Ended Investment Companies Regulations (Northern Ireland) 2004 (S.R. 2004/335), regs. 1(1)(b), **80** (with reg. 1(2))

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C1497 S. 400 applied (6.3.2008) by The Regulated Covered Bonds Regulations 2008 (S.I. 2008/346), **reg. 38(2)**

C1498 S. 400 applied by Companies (Audit, Investigations and Community Enterprise) Act 2004 (c. 27), s. 15A(7) (as substituted (6.4.2008) by The Companies Act 2006 (Consequential Amendments etc) Order 2008 (S.I. 2008/948), arts. 2(2), 3(1), **Sch. 1 para. 232(2)** (with arts. 6, 11, 12))

C1499 S. 400 applied (with modifications) (7.6.2010) by The Credit Rating Agencies Regulations 2010 (S.I. 2010/906), **reg. 26**

C1500 S. 400 applied (1.4.2013) by The Financial Services and Markets Act 2000 (Over the Counter Derivatives, Central Counterparties and Trade Repositories) Regulations 2013 (S.I. 2013/504), regs. 1(2), **57** (with regs. 52-58)

C1501 S. 400 applied (8.12.2017) by The Risk Transformation Regulations 2017 (S.I. 2017/1212), regs. 1(2), **186** (with reg. 189)

C1502 S. 400 applied (with modifications) (1.1.2018) by The Packaged Retail and Insurance-based Investment Products Regulations 2017 (S.I. 2017/1127), reg. 1, **Sch. 1 para. 7(2)**

C1503 S. 400 modified (29.11.2018 for specified purposes, 1.4.2019 in so far as not already in force) by The Financial Services and Markets Act 2000 (Claims Management Activity) Order 2018 (S.I. 2018/1253), arts. 1(2)(3), **55(9)**

C1504 S. 400 applied (1.1.2019) by The Securitisation Regulations 2018 (S.I. 2018/1288), reg. 1, **Sch. 1 para. 8(3)** (with Sch. 1 paras. 13, 14)

C1505 S. 400 applied (14.2.2019) by The Credit Rating Agencies (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/266), regs. 1(2), **46**

C1506 S. 400 applied (31.12.2020) by The Credit Rating Agencies (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/266), regs. 1(3), **22** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

C1507 S. 400 applied (30.1.2024 for specified purposes, 1.11.2024 in so far as not already in force) by The Securitisation Regulations 2024 (S.I. 2024/102), reg. 2(1)(e)(2), **Sch. 1 para. 13(2)** (with reg. 52(3), Sch. 3); as amended by S.I. 2024/705, regs. 1(2), 2(2)

C1508 S. 400 applied (with modifications) (14.1.2025 for specified purposes) by The Short Selling Regulations 2025 (S.I. 2025/29), regs. 2(2)(3), 24, 25, Sch. 1 Pts. 1, **2**

Institution of proceedings

401 Proceedings for offences.

[[F3165](1) In this section "offence" means—

(a) an offence under this Act,

(b) an offence under subordinate legislation made under this Act, or

(c) an offence under Part 7 of the Financial Services Act 2012 (offences relating to financial services).**]**

(2) Proceedings for an offence may be instituted in England and Wales only—

(a) by the **[**[F3166]appropriate regulator**]** or the Secretary of State; or

(b) by or with the consent of the Director of Public Prosecutions.

(3) Proceedings for an offence may be instituted in Northern Ireland only—

(a) by the **[**[F3167]appropriate regulator**]** or the Secretary of State; or

(b) by or with the consent of the Director of Public Prosecutions for Northern Ireland.

[[F3168](3A) For the purposes of subsections (2)(a) and (3)(a), the PRA is the "appropriate regulator" in respect of each of the following offences—

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(a) an offence under section 55P(10) where the contravention is of a requirement imposed by the PRA;

(b) an offence under section 56(4) where the prohibition order is made by the PRA;

(c) an offence under section 177(3) where the investigation is being, or is likely to be, conducted on behalf of the PRA;

(d) an offence under section 177(4) where the requirement is imposed by the PRA;

(e) an offence under section 177(6) where the warrant is issued as a result of information on oath given by the PRA or a person appointed by the PRA to conduct an investigation on its behalf;

(f) an offence under section 191F(1) where the notice should have been given to the PRA;

(g) an offence under any of section 191F(2) to **[**F3169(4) and (5) to**]** (7) where the notice, approval or information was given to or by the PRA;

(h) an offence under section 366(3), unless the activity of effecting or carrying out long-term contracts of insurance is not to any extent a PRA-regulated activity;

(i) an offence under section 398(1) where the information was given to the PRA.

F3170(3AB) **[** For the purposes of subsections (2)(a) and (3)(a), the Bank of England is the "appropriate regulator" in respect of an offence under section 191F(4A).**]**

(3B) For the purposes of subsections (2)(a) and (3)(a), the FCA is the "appropriate regulator" in respect of any other offence.**]**

F3171(4) . . . . . .

(5) In exercising its power to institute proceedings for an offence, the **[**F3172appropriate regulator**]** must comply with any conditions or restrictions imposed in writing by the Treasury.

(6) Conditions or restrictions may be imposed under subsection (5) in relation to—

(a) proceedings generally; or

(b) such proceedings, or categories of proceedings, as the Treasury may direct.

Textual Amendments

F3165 S. 401(1) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 38(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F3166 Words in s. 401(2)(a) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 38(3)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F3167 Words in s. 401(3)(a) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 38(3)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F3168 S. 401(3A)(3B) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 38(4)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F3169 Words in s. 401(3A)(g) inserted (16.12.2016) by The Bank Recovery and Resolution Order 2016 (S.I. 2016/1239), arts. 1(2), **33(6)(a)**

F3170 S. 401(3AB) inserted (16.12.2016) by The Bank Recovery and Resolution Order 2016 (S.I. 2016/1239), arts. 1(2), **33(6)(b)**

F3171 S. 401(4) omitted (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by virtue of The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No.2) Order 2013 (S.I. 2013/1881), arts. 1(2)(6), **10(14)**

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F3172 Words in s. 401(5) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 38(5)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

Modifications etc. (not altering text)

C1509 S. 401 applied (1.12.2001) by S.I. 1995/1537, **reg. 23(6)** (as amended (1.12.2001) by S.I. 2001/3649, **arts. 1**, 509(g))

C1510 S. 401 amended (1.12.2001) by S.I. 2001/2657, **arts. 1(1)**, 10(8), 11(8), 13(1)(3) (which was revoked (8.10.2001) by S.I. 2001/3083, **arts. 1(2)**, 23); S.I. 2001/3538, **art. 2(1)**
S. 401 amended (1.12.2001) by S.I. 2001/3083, **arts. 1(2)**, 10(8), 11(8), 13(1); S.I. 2001/3538, **art. 2(1)**
S. 401 modified (1.12.2001) by S.I. 2001/3646, **arts. 1(1)**, 12(2), 13(3)

C1511 S. 401 applied by Companies (Audit, Investigations and Community Enterprise) Act 2004 (c. 27), s. 15A(7) (as substituted (6.4.2008) by The Companies Act 2006 (Consequential Amendments etc) Order 2008 (S.I. 2008/948), arts. 2(2), 3(1), **Sch. 1 para. 232(2)** (with arts. 6, 11, 12))

C1512 S. 401 applied (with modifications) (7.6.2010) by The Credit Rating Agencies Regulations 2010 (S.I. 2010/906), **reg. 27**

C1513 S. 401 applied (with modifications) (1.4.2013) by The Financial Services Act 2012 (Transitional Provisions) (Enforcement) Order 2013 (S.I. 2013/441), arts. 1(1), **34(2)**

C1514 S. 401 applied (1.4.2013) by The Financial Services and Markets Act 2000 (Over the Counter Derivatives, Central Counterparties and Trade Repositories) Regulations 2013 (S.I. 2013/504), regs. 1(2), **57** (with regs. 52-58)

C1515 S. 401 applied (with modifications) (18.9.2016) by The Payment Accounts Regulations 2015 (S.I. 2015/2038), reg. 1(2)(b), **Sch. 7 para. 6**

C1516 S. 401 applied (with modifications) (1.1.2018) by The Packaged Retail and Insurance-based Investment Products Regulations 2017 (S.I. 2017/1127), reg. 1, **Sch. 1 para. 7(3)**

C1517 S. 401 applied (with modifications) (14.11.2018) by The Central Counterparties (Amendment, etc., and Transitional Provision) (EU Exit) Regulations 2018 (S.I. 2018/1184), regs. 1(3), **24**

C1518 S. 401 applied (with modifications) (1.1.2019) by The Securitisation Regulations 2018 (S.I. 2018/1288), reg. 1, **Sch. 1 para. 8(4)** (with Sch. 1 paras. 13, 14)

C1519 S. 401 applied (with modifications) (30.9.2020) by The Equivalence Determinations for Financial Services (Amendment etc.) (EU Exit) Regulations 2020 (S.I. 2020/1055), regs. 1(2), **6(1)**(2)(5)

C1520 S. 401 applied (31.12.2020) by The Credit Rating Agencies (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/266), regs. 1(3), **23** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

C1521 S. 401 applied (with modifications) (31.5.2021) by The Civil Liability Act 2018 (Financial Conduct Authority) (Whiplash) Regulations 2021 (S.I. 2021/594), regs. 1, **2(9)(b)**

C1522 S. 401 applied (with modifications) (30.1.2024 for specified purposes, 1.11.2024 in so far as not already in force) by The Securitisation Regulations 2024 (S.I. 2024/102), reg. 2(1)(e)(2), **Sch. 1 para. 13(3)** (with reg. 52(3), Sch. 3); as amended by S.I. 2024/705, regs. 1(2), 2(2)

C1523 S. 401 applied (with modifications) (14.1.2025 for specified purposes) by The Short Selling Regulations 2025 (S.I. 2025/29), regs. 2(2)(3), 24, 25, Sch. 1 Pts. 1, **2**

C1524 S. 401(2)(3)(5)(6) applied (6.3.2008) by The Regulated Covered Bonds Regulations 2008 (S.I. 2008/346), **reg. 38(2)**

402 Power of [F3173FCA] to institute proceedings for certain other offences.

(1) Except in Scotland, the **[**F3174FCA**]** may institute proceedings for an offence under—

(a) Part V of the M38Criminal Justice Act 1993 (insider dealing); F3175. . .

(b) prescribed regulations relating to money laundering. **[**F3176 or

(c) Schedule 7 to the Counter-Terrorism Act 2008 (terrorist financing or money laundering).**]**

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

(2) In exercising its power to institute proceedings for any such offence, the **[**F3177FCA**]** must comply with any conditions or restrictions imposed in writing by the Treasury.

(3) Conditions or restrictions may be imposed under subsection (2) in relation to—

(a) proceedings generally; or

(b) such proceedings, or categories of proceedings, as the Treasury may direct.

Textual Amendments

F3173 Word in s. 402 heading substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 39(3)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F3174 Word in s. 402(1) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 39(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F3175 Word in s. 402(1) omitted (27.11.2008) by virtue of Counter-Terrorism Act 2008 (c. 28), ss. 62, 100(2), **Sch. 7 para. 33(4)** (with s. 101(2), Sch. 7 para. 43)

F3176 S. 402(1)(c) and preceding word inserted (27.11.2008) by Counter-Terrorism Act 2008 (c. 28), ss. 62, 100(2), **Sch. 7 para. 33(4)** (with s. 101(2), Sch. 7 para. 43)

F3177 Word in s. 402(2) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 39(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

Modifications etc. (not altering text)

C1525 S. 402 excluded (1.1.2019) by The Securitisation Regulations 2018 (S.I. 2018/1288), reg. 1, **Sch. 1 para. 8(5)** (with Sch. 1 paras. 13, 14)

C1526 S. 402(1) applied (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No.2) Order 2013 (S.I. 2013/1881), arts. 1(2)(6), **49**

Commencement Information

I80 S. 402 wholly in force at 1.12.2001; s. 402 not in force at Royal Assent see s. 431(2); s. 402(1)(b) in force for certain purposes at 25.2.2001 by S.I. 2001/516, art. 2(b), **Sch. Pt. 2**; s. 402 in force for specified purposes at 19.10.2001 by S.I. 2001/3436, **art. 2**; s. 402 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**

Marginal Citations

M38 1993 c. 36.

403 Jurisdiction and procedure in respect of offences.

(1) A fine imposed on an unincorporated association on its conviction of an offence is to be paid out of the funds of the association.

(2) Proceedings for an offence alleged to have been committed by an unincorporated association must be brought in the name of the association (and not in that of any of its members).

(3) Rules of court relating to the service of documents are to have effect as if the association were a body corporate.

(4) In proceedings for an offence brought against an unincorporated association—

(a) section 33 of the **M39**Criminal Justice Act 1925 and Schedule 3 to the **M40**Magistrates' Courts Act 1980 (procedure) apply as they do in relation to a body corporate;

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(b) section 70 of the [M41]Criminal Procedure (Scotland) Act 1995 (procedure) applies as if the association were a body corporate;

(c) section 18 of the [M42]Criminal Justice (Northern Ireland) Act 1945 and Schedule 4 to the [M43]Magistrates' Courts (Northern Ireland) Order 1981 (procedure) apply as they do in relation to a body corporate.

(5) Summary proceedings for an offence may be taken—

(a) against a body corporate or unincorporated association at any place at which it has a place of business;

(b) against an individual at any place where he is for the time being.

(6) Subsection (5) does not affect any jurisdiction exercisable apart from this section.

(7) "Offence" means an offence under this Act **[**[F3178]or an offence under Part 7 of the Financial Services Act 2012 (offences relating to financial services)**]**.

Textual Amendments

F3178 Words in s. 403(7) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 40** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

Modifications etc. (not altering text)

C1527 S. 403 applied (1.12.2001) by S.I. 1995/1537, **reg. 23(6)** (as amended (1.12.2001) by S.I. 2001/3649, **arts. 1**, 509(g))

C1528 S. 403 amended (1.12.2001) by S.I. 2001/2657, **arts. 1(1)**, 10(8), 11(8), 13(1)(3) (which was revoked (8.10.2001) by S.I. 2001/3083, **arts. 1(2)**, 23); S.I. 2001/3538, **art. 2(1)**
S. 403 amended (1.12.2001) by S.I. 2001/3083, **arts. 1(2)**, 10(8), 11(8), 13(1); S.I. 2001/3538, **art. 2(1)**
S. 403 modified (1.12.2001) by S.I. 2001/3646, **arts. 1(1)**, 12(2), 13(3)
S. 403 applied (3.9.2001 for specified purposes otherwise 1.12.2001) by S.I. 2001/1228, **regs. 1(2)(b)(c)**, 82 (with reg. 1(2)(3)); S.I. 2001/2632, art. 2(2), **Sch. Pt. 2**; S.I. 2001/3538, **art. 2(1)**

C1529 S. 403 applied (N.I.) (1.11.2004) by Open-Ended Investment Companies Regulations (Northern Ireland) 2004 (S.R. 2004/335), regs. 1(1)(b), **81** (with reg. 1(2))

C1530 S. 403 applied by Companies (Audit, Investigations and Community Enterprise) Act 2004 (c. 27), s. 15A(7) (as substituted (6.4.2008) by The Companies Act 2006 (Consequential Amendments etc) Order 2008 (S.I. 2008/948), arts. 2(2), 3(1), **Sch. 1 para. 232(2)** (with arts. 6, 11, 12))

C1531 S. 403 applied (7.6.2010) by The Credit Rating Agencies Regulations 2010 (S.I. 2010/906), **reg. 28**

C1532 S. 403 applied (1.4.2013) by The Financial Services and Markets Act 2000 (Over the Counter Derivatives, Central Counterparties and Trade Repositories) Regulations 2013 (S.I. 2013/504), regs. 1(2), **57** (with regs. 52-58)

C1533 S. 403 applied (8.12.2017) by The Risk Transformation Regulations 2017 (S.I. 2017/1212), regs. 1(2), **187** (with reg. 189)

C1534 S. 403 applied (with modifications) (1.1.2018) by The Packaged Retail and Insurance-based Investment Products Regulations 2017 (S.I. 2017/1127), reg. 1, **Sch. 1 para. 7(2)**

C1535 S. 403 applied (with modifications) (1.1.2019) by The Securitisation Regulations 2018 (S.I. 2018/1288), reg. 1, **Sch. 1 para. 8(6)** (with Sch. 1 paras. 13, 14)

C1536 S. 403 applied (with modifications) (31.5.2021) by The Civil Liability Act 2018 (Financial Conduct Authority) (Whiplash) Regulations 2021 (S.I. 2021/594), regs. 1, **2(9)(c)**

C1537 S. 403 applied (30.1.2024 for specified purposes, 1.11.2024 in so far as not already in force) by The Securitisation Regulations 2024 (S.I. 2024/102), reg. 2(1)(e)(2), **Sch. 1 para. 13(4)** (with reg. 52(3), Sch. 3); as amended by S.I. 2024/705, regs. 1(2), 2(2)

C1538 S. 403 applied (with modifications) (14.1.2025 for specified purposes) by The Short Selling Regulations 2025 (S.I. 2025/29), regs. 2(2)(3), 24, 25, Sch. 1 Pts. 1, **2**

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Marginal Citations

M39 1925 c. 86.
M40 1980 c. 43.
M41 1995 c. 46.
M42 1945 c. 15 (N.I.)
M43 S.I. 1981/1675

PART XXVIII

MISCELLANEOUS

[F3179 Consumer redress schemes]

Textual Amendments

F3179 Ss. 404-404G and preceding cross-heading substituted (12.10.2010) for s. 404 and preceding cross-heading by Financial Services Act 2010 (c. 28), **ss. 14**, 26(3); S.I. 2010/2480, **art. 2**

[F3180 404 Consumer redress schemes

(1) This section applies if—

(a) it appears to the [F3181 FCA] that there may have been a widespread or regular failure by relevant firms to comply with requirements applicable to the carrying on by them of any activity;

(b) it appears to it that, as a result, consumers have suffered (or may suffer) loss or damage in respect of which, if they brought legal proceedings, a remedy or relief would be available in the proceedings; and

(c) it considers that it is desirable to make rules for the purpose of securing that redress is made to the consumers in respect of the failure (having regard to other ways in which consumers may obtain redress).

(2) "Relevant firms" means—

(a) authorised persons; F3182 . . .

(b) payment service providers.[F3183 or

(c) electronic money issuers.]

(3) The [F3181 FCA] may make rules requiring each relevant firm (or each relevant firm of a specified description) which has carried on the activity on or after the specified date to establish and operate a consumer redress scheme.

(4) A "consumer redress scheme" is a scheme under which the firm is required to take one or more of the following steps in relation to the activity.

(5) The firm must first investigate whether, on or after the specified date, it has failed to comply with the requirements mentioned in subsection (1)(a) that are applicable to the carrying on by it of the activity.

(6) The next step is for the firm to determine whether the failure has caused (or may cause) loss or damage to consumers.

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(7) If the firm determines that the failure has caused (or may cause) loss or damage to consumers, it must then—

(a) determine what the redress should be in respect of the failure; and

(b) make the redress to the consumers.

(8) A relevant firm is required to take the above steps in relation to any particular consumer even if, after the rules are made, a defence of limitation becomes available to the firm in respect of the loss or damage in question.

(9) Before making rules under this section, the **[**F3181FCA**]** must consult the scheme operator of the ombudsman scheme.

(10) For the meaning of consumers, see section 404E.**]**

Textual Amendments

F3180 Ss. 404-404G and preceding cross-heading substituted (12.10.2010) for s. 404 and preceding cross-heading by Financial Services Act 2010 (c. 28), **ss. 14**, 26(3); S.I. 2010/2480, **art. 2**

F3181 Word in s. 404 substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 18 para. 18** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F3182 Word in s. 404(2) omitted (9.2.2011 for certain purposes and 30.4.2011 otherwise) by virtue of The Electronic Money Regulations 2011 (S.I. 2011/99), regs. 1(2)(a)(xv)(b), 79, **Sch. 4 para. 2(4)(a)** (with reg. 3)

F3183 S. 404(2)(c) and preceding word inserted (9.2.2011 for certain purposes and 30.4.2011 otherwise) by The Electronic Money Regulations 2011 (S.I. 2011/99), regs. 1(2)(a)(xv)(b), 79, **Sch. 4 para. 2(4)(a)** (with reg. 3)

[F3179**404A Rules under s.404: supplementary**

(1) Rules under section 404 may make provision—

(a) specifying the activities and requirements in relation to which relevant firms are to carry out investigations under consumer redress schemes;

(b) setting out, in relation to any specified description of case, examples of things done, or omitted to be done, that are to be regarded as constituting a failure to comply with a requirement;

(c) setting out, in relation to any specified description of case, matters to be taken into account, or steps to be taken, by relevant firms for the purpose of—

(i) assessing evidence as to a failure to comply with a requirement; or

(ii) determining whether such a failure has caused (or may cause) loss or damage to consumers;

(d) as to the kinds of redress that are, or are not, to be made to consumers in specified descriptions of case and the way in which redress is to be determined in specified descriptions of case;

(e) as to the things that relevant firms are, or are not, to do in establishing and operating consumer redress schemes;

(f) securing that relevant firms are not required to investigate anything occurring after a specified date;

(g) specifying the times by which anything required to be done under any consumer redress scheme is to be done;

(h) requiring relevant firms to provide information to the **[**F3184FCA**]**;

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(i) authorising one or more competent persons to do anything for the purposes of, or in connection with, the establishment or operation of any consumer redress scheme;

(j) for the nomination or approval by the **[**F3184FCA**]** of persons authorised under paragraph (i);

(k) as to the circumstances in which, instead of a relevant firm, the **[**F3184FCA**]** (or one or more competent persons acting on the **[**F3184FCA's**]** behalf) may carry out the investigation and take the other relevant steps under any consumer redress scheme;

(l) as to the powers to be available to those carrying out an investigation by virtue of paragraph (k);

(m) as to the enforcement of any redress (for example, in the case of a money award, as a debt owed by a relevant firm).

(2) The only examples that may be set out in the rules as a result of subsection (1)(b) are examples of things done, or omitted to be done, that have been, or would be, held by a court or tribunal to constitute a failure to comply with a requirement.

(3) Matters may not be set out in the rules as a result of subsection (1)(c) if they have not been, or would not be, taken into account by a court or tribunal for the purpose mentioned there.

(4) The **[**F3184FCA**]** must exercise the power conferred as a result of subsection (1)(d) so as to secure that, in relation to any description of case, the only kinds of redress to be made are those which it considers to be just in relation to that description of case.

(5) In acting under subsection (4), the **[**F3184FCA**]** must have regard (among other things) to the nature and extent of the losses or damage in question.

(6) The provision that may be made under subsection (1)(h) includes provision applying (with or without modifications)—

(a) any provision of section 165; or

(b) any provision of Part 11 relating to that section.

(7) The reference in subsection (1)(k) to the other relevant steps under any consumer redress scheme is a reference to the **[**F3184FCA**]** making the determinations mentioned in section 404(6) and (7) (with the firm still required to make the redress).

(8) If the rules include provision under subsection (1)(k), they must also include provision for—

(a) giving warning and decision notices, and

(b) conferring rights on relevant firms to refer matters to the Tribunal,

in relation to any determination mentioned in section 404(6) and (7) made by the **[**F3184FCA**]**.

(9) Nothing in this section is to be taken as limiting the power conferred by section 404.

Textual Amendments

F3184 Word in s. 404A substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 18 para. 19** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

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404B Complaints to the ombudsman scheme

(1) If—

(a) a consumer makes a complaint under the ombudsman scheme in respect of an act or omission of a relevant firm, and

(b) at the time the complaint is made, the subject-matter of the complaint falls to be dealt with (or has been dealt with) under a consumer redress scheme,

the way in which the complaint is to be determined by the ombudsman is to be as mentioned in subsection (4).

[Subsection (1) does not apply if the consumer and the relevant firm agree that it should F3185(1A) not apply.**]**

(2) If a consumer—

(a) is not satisfied with a determination made by a relevant firm under a consumer redress scheme, or

(b) considers that a relevant firm has failed to make a determination in accordance with a consumer redress scheme,

the consumer may, in respect of that determination or failure, make a complaint under the ombudsman scheme.

[The way in which a complaint mentioned in subsection (2) is to be determined by the F3186(2A) ombudsman is to be as mentioned in subsection (4).

(2B) Subsection (2A) does not apply if the consumer and the relevant firm agree that it should not apply.**]**

[F3187(3) In the following provisions of this section "relevant complaint" means—

(a) a complaint mentioned in subsection (1) other than one in relation to which subsection (1A) applies, or

(b) a complaint mentioned in subsection (2) other than one in relation to which subsection (2B) applies.**]**

(4) A relevant complaint is to be determined by reference to what, in the opinion of the ombudsman, the determination under the consumer redress scheme should be or should have been (subject to subsection (5)).

(5) If, in determining a relevant complaint, the ombudsman determines that the firm should make (or should have made) a payment of an amount to the consumer, the amount awarded by the ombudsman (a "money award") must not exceed the monetary limit (within the meaning of section 229).

(6) But the ombudsman may recommend that the firm pay a larger amount.

(7) A money award—

(a) may specify the date by which the amount awarded is to be paid;

(b) may provide for interest to be payable, at a rate specified in the award, on any amount which is not paid by that date; and

(c) is enforceable by the consumer in accordance with Part 3 or 3A of Schedule 17 (as the case may be).

(8) If, in determining a relevant complaint, the ombudsman determines that the firm should take (or should have taken) particular action in relation to the consumer, the ombudsman may direct the firm to take that action.

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(9) Compliance with a direction under subsection (8) is enforceable, on the application of the consumer, by an injunction or, in Scotland, by an order for specific performance under section 45 of the Court of Session Act 1988.

(10) In consequence of the provision made by this section, sections 228(2) and 229 do not apply in relation to relevant complaints; but all other provision made by or under Part 16 applies in relation to those complaints.

(11) The compulsory jurisdiction of the ombudsman scheme is to include the jurisdiction resulting from this section.

(12) Nothing in subsection (1) is to be taken as requiring the ombudsman to determine a complaint in any case where (apart from that subsection) the complaint would not fall to be determined (whether as a result of rules made under Schedule 17 or otherwise).

(13) Nothing in subsection (2) is to be taken as conferring an entitlement on a person who, for the purposes of the ombudsman scheme, is not an eligible complainant in relation to the subject-matter of the determination mentioned there.

Textual Amendments

F3185 S. 404B(1A) inserted (7.4.2015) by The Alternative Dispute Resolution for Consumer Disputes (Competent Authorities and Information) Regulations 2015 (S.I. 2015/542), reg. 1(2), **Sch. 7 para. 1(2)(a)** (with reg. 7)

F3186 S. 404B(2A)(2B) inserted (7.4.2015) by The Alternative Dispute Resolution for Consumer Disputes (Competent Authorities and Information) Regulations 2015 (S.I. 2015/542), reg. 1(2), **Sch. 7 para. 1(2)(b)** (with reg. 7)

F3187 S. 404B(3) substituted (7.4.2015) by The Alternative Dispute Resolution for Consumer Disputes (Competent Authorities and Information) Regulations 2015 (S.I. 2015/542), reg. 1(2), **Sch. 7 para. 1(2)(c)** (with reg. 7)

404C Enforcement

The following provisions—

(a) Part 14 (disciplinary measures), and

(b) so much of this Act as relates to any provision of that Part,

(which **[**[F3188], subject to section 415AA(1),**]** apply only in relation to authorised persons) are also to apply in relation to relevant firms which are not (or are no longer) authorised persons.

Textual Amendments

F3188 Words in s. 404C inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 60(2)**, 86(2)(f) (with s. 60(4))

Modifications etc. (not altering text)

C1539 S. 404C applied (31.5.2021) by The Civil Liability Act 2018 (Financial Conduct Authority) (Whiplash) Regulations 2021 (S.I. 2021/594), regs. 1, **2(10)(a)**

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404D Applications to Tribunal to quash rules or provision of rules

(1) Any person may apply to the Tribunal for a review of any rules made under section 404.

(2) The Tribunal may—

(a) dismiss the application; or

(b) make an order (a "quashing order") quashing any rules made under section 404 or any provision of those rules.

(3) An application may be made only if permission to make it has first been obtained from the Tribunal.

(4) The Tribunal may grant permission to make an application only if it considers that the applicant has a sufficient interest in the matter to which the application relates.

(5) The general rule is that, in determining an application, the Tribunal is to apply the principles applicable on an application for judicial review.

(6) If (or so far as) an application relates to an example set out in the rules as a result of section 404A(1)(b), the Tribunal may determine whether the example constitutes a failure to comply with the requirement in question.

(7) If (or so far as) an application relates to a matter set out in the rules as a result of section 404A(1)(c), the Tribunal may determine whether the matter should be taken into account as mentioned in that provision.

(8) In the case of an application within subsection (6) or (7), the Tribunal's jurisdiction under that subsection is in addition to its jurisdiction under subsection (5).

(9) A quashing order may be enforced as if it were an order made, on an application for judicial review, by the High Court or, in Scotland, the Court of Session.

(10) The Tribunal may award damages to the applicant if—

(a) the application includes a claim for damages arising from any matter to which the application relates; and

(b) the Tribunal is satisfied that an award would have been made by the High Court or, in Scotland, the Court of Session if the claim had been made in an action begun in that court by the applicant when making the application.

(11) An award of damages under subsection (10) may be enforced as if it were an award made by the High Court or, in Scotland, the Court of Session.

(12) In the case of any proceedings under this section, the judge presiding at the proceedings must be—

(a) a judge of the High Court or the Court of Appeal or a judge of the Court of Session; or

(b) such other person as may be agreed from time to time by—

(i) the Lord Chief Justice, the Lord President or the Lord Chief Justice of Northern Ireland (as the case may be); and

(ii) the Senior President of Tribunals.

(13) Section 133 does not apply in the case of an application under this section, but—

(a) Tribunal Procedure Rules may make provision for the suspension of rules made under section 404 or of any provision of those rules, pending determination of the application; and

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(b) in the case of an application within subsection (6) or (7), the Tribunal may consider any evidence relating to the application's subject-matter, whether or not it was available at the time the rules were made.

(14) If—

(a) the Tribunal refuses to grant permission to make an application under this section, and

(b) on an appeal by the applicant, the Court of Appeal grants the permission,

the Court of Appeal may go on to decide the application under this section.

404E Meaning of "consumers"

(1) For the purposes of sections 404 to 404B "consumers" means persons **[**F3189who**]**—

(a) **[**F3190who**]** have used, or may have contemplated using, any of the services within subsection (2); **[**F3191or**]**

(b) **[**F3190who**]** have relevant rights or interests in relation to any of the services within that subsection **[**F3192; or

(c) in respect of whom a person carries on an activity which is specified in article 89G of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (seeking out etc claims) whether that activity, as carried on by that person, is a regulated activity or is, by reason of an exclusion provided for under the 2001 Order or the 2000 Act, not a regulated activity.**]**

(2) The services within this subsection are services provided by—

(a) authorised persons in carrying on regulated activities;

F3193(b) . . . . . .

(c) authorised persons in communicating, or approving the communication by others of, invitations or inducements

[to engage in investment activity **[**F3195; or

F3194(i)**]**

(ii) to engage in claims management activity;**]**

(d) authorised persons who are investment firms, or credit institutions, in providing relevant ancillary services;

(e) persons acting as appointed representatives; F3196. . .

(f) payment service providers in providing payment services.**[**F3197 or

(g) electronic money issuers in issuing electronic money.**]**

(3) A person ("P") has a "relevant right or interest" in relation to any services within subsection (2) if P has a right or interest—

(a) which is derived from, or is otherwise attributable to, the use of the services by others; or

(b) which may be adversely affected by the use of the services by persons acting on P's behalf or in a fiduciary capacity in relation to P.

(4) If a person is providing a service within subsection (2) as a trustee, the persons who have been, or may have been, beneficiaries of the trust are to be treated as persons who have used, or may have contemplated using, the service.

(5) A person who deals with another person ("B") in the course of B providing a service within subsection (2) is to be treated as using the service.

(6) In this section—

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F3198 …

F3198 …

F3199 …

[F3200“engage in claims management activity” has the meaning given by section 21;**]**

“engage in investment activity” has the meaning given by section 21;

[F3201“electronic money” has the same meaning as in the Electronic Money Regulations 2011 and any reference to issuing electronic money must be read accordingly;**]**

“payment services” has the same meaning as in the Payment Services Regulations **[**F3202**]**2017**]**;

“payment service provider” means a person who is a payment service provider for the purposes of those regulations as a result of falling within any of paragraphs (a) to **[**F3203**]**(g)**]** of the definition in regulation 2(1);

“relevant ancillary services” has the meaning given by section 138(1C).

Textual Amendments

F3189 Word in s. 404E(1) omitted (E.W.S.) (29.11.2018 for specified purposes, 1.4.2019 in so far as not already in force) by virtue of The Financial Services and Markets Act 2000 (Claims Management Activity) Order 2018 (S.I. 2018/1253), arts. 1(2)(3), **91(6)(a)(i)**

F3190 Word in s. 404E(1)(a)(b) inserted (E.W.S.) (29.11.2018 for specified purposes, 1.4.2019 in so far as not already in force) by The Financial Services and Markets Act 2000 (Claims Management Activity) Order 2018 (S.I. 2018/1253), arts. 1(2)(3), **91(6)(a)(ii)**

F3191 Word in s. 404E(1)(a) omitted (E.W.S.) (29.11.2018 for specified purposes, 1.4.2019 in so far as not already in force) by virtue of The Financial Services and Markets Act 2000 (Claims Management Activity) Order 2018 (S.I. 2018/1253), arts. 1(2)(3), **91(6)(a)(iii)**

F3192 S. 404E(1)(c) and word inserted (E.W.S.) (29.11.2018 for specified purposes, 1.4.2019 in so far as not already in force) by The Financial Services and Markets Act 2000 (Claims Management Activity) Order 2018 (S.I. 2018/1253), arts. 1(2)(3), **91(6)(a)(iv)**

F3193 S. 404E(2)(b) omitted (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by virtue of The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No.2) Order 2013 (S.I. 2013/1881), arts. 1(2)(6), **10(15)(a)** (with art. 11(2))

F3194 Words in s. 404E(2)(c) renumbered as s. 404E(2)(c)(i) (E.W.S.) (29.11.2018 for specified purposes, 1.4.2019 in so far as not already in force) by The Financial Services and Markets Act 2000 (Claims Management Activity) Order 2018 (S.I. 2018/1253), **arts. 1(2)(3)**, 91(6)(b)

F3195 S. 404E(2)(c)(ii) and word inserted (E.W.S.) (29.11.2018 for specified purposes, 1.4.2019 in so far as not already in force) by The Financial Services and Markets Act 2000 (Claims Management Activity) Order 2018 (S.I. 2018/1253), arts. 1(2)(3), **91(6)(b)**

F3196 Word in s. 404E(2) omitted (9.2.2011 for certain purposes and 30.4.2011 otherwise) by virtue of The Electronic Money Regulations 2011 (S.I. 2011/99), regs. 1(2)(a)(xv)(b), 79, **Sch. 4 para. 2(4)(b)(i)** (with reg. 3)

F3197 S. 404E(2)(g) and preceding word inserted (9.2.2011 for certain purposes and 30.4.2011 otherwise) by The Electronic Money Regulations 2011 (S.I. 2011/99), regs. 1(2)(a)(xv)(b), 79, **Sch. 4 para. 2(4)(b)(i)** (with reg. 3)

F3198 Words in s. 404E(6) omitted (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by virtue of The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No.2) Order 2013 (S.I. 2013/1881), arts. 1(2)(6), **10(15)(b)** (with art. 11(2))

F3199 Words in s. 404E(6) omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **82**; 2020 c. 1, Sch. 5 para. 1(1)

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F3200 Words in s. 404E(6) inserted (E.W.S.) (29.11.2018 for specified purposes, 1.4.2019 in so far as not already in force) by The Financial Services and Markets Act 2000 (Claims Management Activity) Order 2018 (S.I. 2018/1253), arts. 1(2)(3), **91(6)(c)**

F3201 S. 404E(6): definition of "electronic money" inserted (9.2.2011 for certain purposes and 30.4.2011 otherwise) by The Electronic Money Regulations 2011 (S.I. 2011/99), regs. 1(2)(a)(xv)(b), 79, **Sch. 4 para. 2(4)(b)(ii)** (with reg. 3)

F3202 Word in s. 404E(6) substituted (13.1.2018) by The Payment Services Regulations 2017 (S.I. 2017/752), reg. 1(6), **Sch. 8 para. 2(7)(a)** (with reg. 3)

F3203 Word in s. 404E(6) substituted (13.1.2018) by The Payment Services Regulations 2017 (S.I. 2017/752), reg. 1(6), **Sch. 8 para. 2(7)(b)** (with reg. 3)

Modifications etc. (not altering text)

C1540 S. 404E modified by S.I. 2001/544, art. 60S(1)(3) (as inserted (14.2.2014 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2014 (S.I. 2014/366), arts. 1(3)(4), **2(37)**)

C1541 S. 404E modified by S.I. 2001/544, art. 60LA(1)(3) (as inserted (14.2.2014 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2014 (S.I. 2014/366), arts. 1(3)(4), **2(33)**)

C1542 S. 404E modified (E.W.S.) (29.11.2018 for specified purposes, 1.4.2019 in so far as not already in force) by The Financial Services and Markets Act 2000 (Claims Management Activity) Order 2018 (S.I. 2018/1253), arts. 1(2)(3), **89**

404F Other definitions etc

(1) For the purposes of sections 404 to 404B—

"redress" includes—

(a) interest; and

(b) a remedy or relief which could not be awarded in legal proceedings;

"specified" means specified in rules made under section 404.

(2) In determining for the purposes of those sections whether an authorised person has failed to comply with a requirement, anything which an appointed representative has done or omitted as respects business for which the authorised person has accepted responsibility is to be treated as having been done or omitted by the authorised person.

(3) References in those sections to the failure by a relevant firm to comply with a requirement applicable to the carrying on by it of any activity include anything done, or omitted to be done, by it in carrying on the activity—

(a) which is in breach of a duty or other obligation, prohibition or restriction; or

(b) which otherwise gives rise to the availability of a remedy or relief in legal proceedings.

(4) It does not matter whether—

(a) the duty or other obligation, prohibition or restriction, or

(b) the remedy or relief,

arises as a result of any provision made by or under this or any other Act, a rule of law or otherwise.

(5) References in sections 404 to 404B to a relevant firm include—

(a) a person who was at any time a relevant firm but has subsequently ceased to be one; and

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(b) a person who has assumed a liability (including a contingent one) incurred by a relevant firm in respect of a failure by the firm to comply with a requirement applicable to the carrying on by it of any activity.

(6) References in those sections to the carrying on of an activity by a relevant firm are, accordingly, to be read in that case with the appropriate modifications.

[F3204(6A) References in sections 404 and 404E to an "electronic money issuer" are references to a person mentioned in paragraph (a), (b), (c), (d), (h) or (i) of the definition of "electronic money issuer" in regulation 2(1) of the Electronic Money Regulations 2011.**]**

(7) If the **[**F3205FCA**]** varies a permission or authorisation of a person so as to impose requirements on the person to establish and operate a scheme which corresponds to, or is similar to, a consumer redress scheme, the provision that may be included in the permission or authorisation as varied includes—

(a) provision imposing requirements on the person corresponding to those that could be included in rules made under section 404; and

(b) provision corresponding to section 404B.

(8) In subsection (7) the reference to the variation of a permission or authorisation by the **[**F3205FCA**]** is a reference to—

[F3206(a) the variation under section 55H or 55J of a Part 4A permission,

(aa) the imposition or variation of a requirement under section 55L, or**]**

(b) the variation under regulation 8 or **[**F320712**]** of the Payment Services Regulations **[**F32082017**]** of an authorisation under those regulations.**[**F3209 or

(c) the variation under regulation 8 or 11 of the Electronic Money Regulations 2011 of an authorisation under those regulations.**]**

Textual Amendments

F3204 S. 404F(6A) inserted (9.2.2011 for certain purposes and 30.4.2011 otherwise) by The Electronic Money Regulations 2011 (S.I. 2011/99), regs. 1(2)(a)(xv)(b), 79, **Sch. 4 para. 2(5)(i)** (with reg. 3)

F3205 Word in s. 404F substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 18 para. 20(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F3206 S. 404F(8)(a)(aa) substituted for s. 404F(8)(a) (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 18 para. 20(3)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F3207 Word in s. 404F(8)(b) substituted (13.1.2018) by The Payment Services Regulations 2017 (S.I. 2017/752), reg. 1(6), **Sch. 8 para. 2(8)(a)** (with reg. 3)

F3208 Word in s. 404F(8)(b) substituted (13.1.2018) by The Payment Services Regulations 2017 (S.I. 2017/752), reg. 1(6), **Sch. 8 para. 2(8)(b)** (with reg. 3)

F3209 S. 404F(8)(c) and preceding word inserted (9.2.2011 for certain purposes and 30.4.2011 otherwise) by The Electronic Money Regulations 2011 (S.I. 2011/99), regs. 1(2)(a)(xv)(b), 79, **Sch. 4 para. 2(5)(ii)** (with reg. 3)

404G Power to widen the scope of consumer redress schemes

(1) The Treasury may by order amend the definition of "relevant firms" in section 404 or the definition of "consumers" in section 404E (or both).

(2) An order under this section may make consequential amendments of any provision of sections 404 to 404F.**]**

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Third countries

F3210 405 Directions.

. . . . . .

Textual Amendments

F3210 Ss. 405-408 omitted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by virtue of The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 2 para. 49** (with reg. 7)

F3210 406 Interpretation of section 405.

. . . . . .

Textual Amendments

F3210 Ss. 405-408 omitted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by virtue of The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 2 para. 49** (with reg. 7)

F3210 407 Consequences of a direction under section 405.

. . . . . .

Textual Amendments

F3210 Ss. 405-408 omitted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by virtue of The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 2 para. 49** (with reg. 7)

F3210 408 EFTA firms.

. . . . . .

Textual Amendments

F3210 Ss. 405-408 omitted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by virtue of The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 2 para. 49** (with reg. 7)

409 Gibraltar.

(1) The Treasury may by order—

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(a) modify Schedule 3 so as to provide for Gibraltar firms of a specified description to qualify for authorisation under that Schedule in specified circumstances;

(b) modify Schedule 3 so as to make provision in relation to the exercise by UK firms of rights under the law of Gibraltar which correspond to **[**F3211the EEA rights that UK firms had immediately before IP completion day**]**;

F3212(c) . . . . . .

(d) modify section 264 so as to make provision in relation to collective investment schemes constituted under the law of Gibraltar;

F3213(e) . . . . . .

F3214(f) . . . . . .

(2) The fact that a firm may qualify for authorisation under Schedule 3 as a result of an order under subsection (1) does not prevent it from applying for a **[**F3215Part 4A permission**]**.

(3) "Gibraltar firm" means a firm which has its head office in Gibraltar or is otherwise connected with Gibraltar.

F3216(4) . . . . . .

(5) "Specified" means specified in the order.

(6) "UK firm" **[**F3217means a person whose head office is in the United Kingdom or is otherwise connected with the United Kingdom; and "EEA right" has**]** the same meaning as in Schedule 3.

[F3218(7) For the purposes of this section, Schedule 3 and section 264, and regulations made under that Schedule or that section, continue to apply on and after IP completion day as they had effect immediately before IP completion day, but subject to any modifications specified in an order under this section.

(8) In relation to the exercise of Gibraltar-related market access rights and persons exercising those rights, the relevant legislation (as defined in subsections (11) and (12)) continues to apply on or after IP completion day as if it had not been repealed, revoked or amended by regulations under section 8 of the European Union (Withdrawal) Act 2018, but this is subject to—

(a) subsection (9), and

(b) any further modifications specified in an order under this section.

(9) The relevant legislation is to be read as if references to a person's rights under any EU legislation were to the person's rights deriving from that legislation.

(10) "Gibraltar-related market access rights" means

(a) rights conferred by virtue of subsection (1)(a) or (d), or

(b) the rights mentioned in subsection (1)(b).

(11) "The relevant legislation" means—

(a) in section 31 (authorised persons), subsection (1)(b);

(b) section 34 (EEA firms);

(c) section 36 (persons authorised as a result of paragraph 1(1) of Schedule 5);

(d) section 37 (exercise of EEA rights by UK firms);

(e) Part 13 (incoming firms: intervention by FCA or PRA) and regulations made under that Part;

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(f) sections 266 to 269 (which relate to schemes recognised under section 264);

(g) in Schedule 5 (persons concerned in collective investment schemes), paragraphs 1(1) and (2) and 2(1);

(h) the Financial Services and Markets Act 2000 (Compensation Scheme: Electing Participants) Regulations 2001;

(i) Part 4 (mergers) of the Undertakings for Collective Investment in Transferable Securities Regulations 2011;

(j) any other provision of primary or subordinate legislation which is repealed, revoked, amended or modified by the EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018;

(k) any other provision of primary or subordinate legislation which is repealed, revoked, amended or modified on IP completion day by regulations under section 8(1) of the European Union (Withdrawal) Act 2018 and which relates to—

(i) authorisation by virtue of Part 2 of Schedule 3 or by virtue of paragraph 1(1) of Schedule 5, or persons authorised by virtue of those provisions,

(ii) the exercise by UK firms of EEA rights (as defined in Schedule 3), or

(iii) the recognition of collective investment schemes under section 264, or schemes so recognised.

(12) "The relevant legislation" does not include rules made by the FCA or the PRA.**]**

Textual Amendments

F3211 Words in s. 409(1)(b) substituted (31.12.2020) by The Financial Services (Gibraltar) (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/589), regs. 1(3), **2(2)(a)** (as amended by S.I. 2020/1301, regs. 1, 3, **Sch. para. 32(a)(i)**) (with reg. 12 (as amended by S.I. 2020/1274, regs. 1, **2**); 2020 c. 1, **Sch. 5 para. 1(1)**

F3212 S. 409(1)(c) omitted (31.12.2020) by virtue of The Financial Services (Gibraltar) (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/589), regs. 1(3), **2(2)(b)** (with reg. 12 (as amended by S.I. 2020/1274, regs. 1, 2)); 2020 c. 1, Sch. 5 para. 1(1)

F3213 S. 409(1)(e) omitted (1.7.2011) by virtue of The Undertakings for Collective Investment in Transferable Securities Regulations 2011 (S.I. 2011/1613), **reg. 2(30)**

F3214 S. 409(1)(f) omitted (31.12.2020) by virtue of The Financial Services (Gibraltar) (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/589), regs. 1(3), **2(2)(c)** (with reg. 12 (as amended by S.I. 2020/1274, regs. 1, 2)); 2020 c. 1, Sch. 5 para. 1(1)

F3215 Words in s. 409(2) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 18 para. 23** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F3216 S. 409(4) omitted (31.12.2020) by virtue of The Financial Services (Gibraltar) (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/589), regs. 1(3), **2(3)** (with reg. 12 (as amended by S.I. 2020/1274, regs. 1, 2)); 2020 c. 1, Sch. 5 para. 1(1)

F3217 Words in s. 409(6) substituted (31.12.2020) by The Financial Services (Gibraltar) (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/589), regs. 1(3), **2(4)** (with reg. 12 (as amended by S.I. 2020/1274, regs. 1, 2)); 2020 c. 1, Sch. 5 para. 1(1)

F3218 S. 409(7)-(12) inserted (31.12.2020) by The Financial Services (Gibraltar) (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/589), regs. 1(3), **2(5)** (as amended by S.I. 2020/1301, regs. 1, 3, **Sch. para. 32(a)(ii)**) (with reg. 12 as amended by S.I. 2020/1274, regs. 1, **2**); 2020 c. 1, **Sch. 5 para. 1(1)**

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International [F3219 powers and] obligations

Textual Amendments

F3219 Words in s. 410 cross-heading inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 32(2)**, 86(3) (with savings in The Financial Services and Markets Act 2023 (Commencement No. 2 and Transitional Provisions) Regulations 2023 (S.I. 2023/936), **reg. 4**); S.I. 2023/779, **reg. 4(w)**

[F3220 409A Consultation in relation to deference decisions

(1) This section applies where a regulator is proposing to take a relevant action.

(2) The regulator—

(a) must consider the effect of the relevant action on notified deference decisions, and

(b) if having done so it appears to the regulator that there is a material risk that the relevant action would be incompatible with a notified deference decision, must consult the Treasury about the likely effect of the action on the decision.

(3) Subsection (2) applies only if a duty to consult applies in respect of the taking of the relevant action.

(4) For the purposes of subsection (1) a regulator proposes to take a "relevant action" if—

(a) it proposes to make rules under this Act or any other enactment, or

(b) it proposes to make changes to its general policies and practices so far as relating to its supervisory functions under section 1L (FCA supervisory functions) or (as the case may be) section 2K (PRA supervisory functions).

(5) For the purposes of subsection (2)—

(a) "deference decision" means a decision of the Treasury that the law and practice of another country or territory is, so far as relating to financial services and markets, equivalent to the law and practice of the United Kingdom (either generally or as it relates to a particular matter);

(b) a deference decision is a "notified deference decision" if the Treasury have, by notice in writing, informed the regulator that it is relevant for the purposes of this section;

(c) a relevant action is "incompatible" with a notified deference decision if the action would result in the law and practice of the United Kingdom ceasing to be equivalent to the law and practice of the other country or territory to which the deference decision relates.

(6) For the purposes of subsection (3) a duty to consult applies in respect of a relevant action if—

(a) the duty imposed by section 138I or 138J to publish a draft of proposed rules applies in respect of the action, or

(b) any other duty (whether or not imposed by a provision of this Act) to publish the proposal to take the action in question applies.

(7) Section 138M(1) (consultation: exemptions for temporary product intervention rules) is to be ignored for the purposes of subsection (6) in determining whether a duty to consult applies in respect of a relevant action.

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(8) The requirement imposed by subsection (2)(b) must be carried out before the duty to consult in respect of the relevant action is carried out.

(9) The requirements imposed by subsection (2) do not apply to the extent that the regulator takes a relevant action—

(a) by the making of product intervention rules under section 137D if the condition in subsection (10) is met,

(b) by the making of rules under Part 9C (see instead section 143G(3)),

(c) by the making of rules under Part 9D (see instead section 144C(3)),

(d) by the making of rules under Part 12B (see instead section 192XB(2)),

(e) in order to comply with a direction given by the Financial Policy Committee of the Bank of England under section 9H of the Bank of England Act 1998 (directions required macro-prudential measures), or

(f) in order to act in accordance with a recommendation made by that Committee under section 9Q of that Act (recommendations about the exercise of functions).

(10) The condition referred to in subsection (9)(a) is that the FCA considers it necessary not to comply with the requirement imposed by subsection (2) for the purpose of advancing—

(a) the consumer protection objective, or

(b) if an order under section 137D(1)(b) is in force, the integrity objective.**]**

Textual Amendments

F3220 S. 409A inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 32(3)**, 86(3) (with savings in The Financial Services and Markets Act 2023 (Commencement No. 2 and Transitional Provisions) Regulations 2023 (S.I. 2023/936), **reg. 4**); S.I. 2023/779, reg. 4(w)

[F3221 409B Notification in relation to international trade obligations

(1) This section applies where it appears to a regulator that there is a material risk that a relevant action it proposes to take would be incompatible with an international trade obligation.

(2) The regulator must give written notice to the Treasury of the proposed action before proceeding to take it.

(3) Subsection (2) applies only if a duty to consult applies in respect of the taking of the relevant action.

(4) For the purposes of subsection (1) a regulator proposes to take a "relevant action" if—

(a) it proposes to make rules under this Act or any other enactment, or

(b) it proposes to make changes to its general policies and practices so far as relating to its supervisory functions under section 1L (FCA supervisory functions) or (as the case may be) section 2K (PRA supervisory function).

(5) For the purposes of subsection (3) a duty to consult applies in respect of a relevant action if—

(a) the duty imposed by section 138I or 138J to publish a draft of proposed rules applies in respect of the action, or

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(b) any other duty (whether or not imposed by a provision of this Act) to publish the proposal to take the action in question applies.

(6) Section 138M(1) (consultation: exemptions for temporary product intervention rules) is to be ignored for the purposes of subsection (5) in determining whether a duty to consult applies in respect of a relevant action.

(7) The requirement imposed by subsection (2) must be carried out before the duty to consult in respect of the relevant action is carried out.

(8) The requirement imposed by subsection (2) does not apply to the extent that the regulator takes a relevant action—

(a) by the making of product intervention rules under section 137D if the condition in subsection (9) is met,

(b) in order to comply with a direction given by the Financial Policy Committee of the Bank of England under section 9H of the Bank of England Act 1998 (directions requiring macro-prudential measures), or

(c) in order to act in accordance with a recommendation made by that Committee under section 9Q of that Act (recommendations about the exercise of functions).

(9) The condition referred to in subsection (8)(a) is that the FCA considers it necessary not to comply with the requirement imposed by subsection (2) for the purpose of advancing—

(a) the consumer protection objective, or

(b) if an order under section 137D(1)(b) is in force, the integrity objective.

(10) Subsection (11) applies in a case where a notice under subsection (2) is not given because of subsection (3) or (8)(a).

(11) The regulator must give written notice to the Treasury of the relevant action it has taken as soon as reasonably practicable after taking it if it appears to the regulator that there is a material risk that the action is incompatible with an international trade obligation.

(12) In this section "international trade obligation" means an obligation of the United Kingdom that relates to financial services or markets under—

(a) a free trade agreement, as defined by section 5(1) of the Trade Act 2021, or

(b) the agreement establishing the World Trade Organisation signed at Marrakesh on 15 April 1994.**]**

Textual Amendments

F3221 S. 409B inserted (1.1.2024) by Financial Services and Markets Act 2023 (c. 29), **ss. 33**, 86(3) (with savings in The Financial Services and Markets Act 2023 (Commencement No. 2 and Transitional Provisions) Regulations 2023 (S.I. 2023/936), reg. 4 (as amended (13.12.2023) by The Financial Services and Markets Act 2023 (Commencement No. 4 and Transitional and Saving Provisions) (Amendment) Regulations 2023 (S.I. 2023/1382), reg. 18(a))); S.I. 2023/1382, reg. 9(1)(b) (with reg. 15)

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

410 International obligations.

(1) If it appears to the Treasury that any action proposed to be taken by a relevant person would be incompatible with **[**F3222any**]** international obligations of the United Kingdom, they may direct that person not to take that action.

(2) If it appears to the Treasury that any action which a relevant person has power to take is required for the purpose of implementing any such obligations, they may direct that person to take that action.

(3) A direction under this section—

(a) may include such supplemental or incidental requirements as the Treasury consider necessary or expedient; and

(b) is enforceable, on an application made by the Treasury, by injunction or, in Scotland, by an order for specific performance under section 45 of the M44Court of Session Act 1988.

(4) "Relevant person" means—

[F3223(a) the FCA;

(aa) the PRA;

(ab) the Bank of England when exercising functions conferred on it by Part 18;**]**

F3224(b) . . . . . .

(c) any recognised investment exchange (other than one which is an overseas investment exchange);

(d) any recognised clearing house (other than one which is an overseas clearing house);

[F3225(da) any recognised CSD;**]**

(e) a person included in the list maintained under section 301; or

(f) the scheme operator of the ombudsman scheme.

Textual Amendments

F3222 Word in s. 410(1) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **83**; 2020 c. 1, Sch. 5 para. 1(1)

F3223 S. 410(4)(a)(aa)(ab) substituted for s. 410(4)(a) (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 47**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F3224 S. 410(4)(b) omitted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by virtue of Financial Services Act 2012 (c. 21), **ss. 16(14)(i)**, 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F3225 S. 410(4)(da) inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **2(36)** (with regs. 7(4), 9(1))

Modifications etc. (not altering text)

C1543 S. 410 applied (1.12.2001) by S.I. 1995/1537, **reg. 23(3)** (as amended (1.12.2001) by S.I. 2001/3649, **arts. 1**, 509(d))

Marginal Citations

M44 1988 c. 36.

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

[F3226 Fees to meet Treasury expenses

Textual Amendments

F3226 Ss. 410A, 410B and cross-heading inserted (1.3.2014) by Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 135(1)**, 148(5); S.I. 2014/377, art. 2(1)(a), Sch. Pt. 1

410A Fees to meet certain expenses of the Treasury

(1) The Treasury may by regulations—

(a) enable the Treasury from time to time by direction to require the FCA, the PRA or the Bank of England (each a "regulator") to require the payment of fees by relevant persons, or such class of relevant person as may be specified in, or determined by the regulator in accordance with, the direction, for the purpose of meeting relevant expenses incurred by the Treasury;

(b) make provision about how the regulator to which a direction is given is to comply with the direction;

(c) require the regulator to pay to the Treasury, by such time or times as may be specified in the direction, the amount of any fees received by the regulator.

(2) "Relevant expenses" are expenses (including any expenses of a capital nature) which are attributable to United Kingdom membership of, or Treasury participation in, a prescribed international organisation so far as those expenses—

(a) represent a contribution (by way of subscription or otherwise) to the resources of the international organisation, and

(b) are in the opinion of the Treasury attributable to functions of the organisation which relate to financial stability or financial services.

(3) The regulations must provide for the charging of fees in pursuance of a direction given under the regulations to the FCA or the PRA to be by rules made by that regulator.

(4) The provisions of Chapter 2 of Part 9A apply to rules of the FCA or the PRA providing for the charging of fees in pursuance of a direction given under the regulations—

(a) in the case of the FCA, as they apply to rules relating to the payment of fees under paragraph 23 of Schedule 1ZA;

(b) in the case of the PRA, as they apply to rules relating to the payment of fees under paragraph 31 of Schedule 1ZB.

(5) Paragraph 36(1) of Schedule 17A applies to the charging of fees by the Bank of England in pursuance of a direction given to the Bank under the regulations.

(6) The regulations may in particular—

(a) make provision about what is, or is not, to be regarded as an expense;

(b) specify requirements that the Treasury must comply with before giving a direction;

(c) enable a direction to be varied or revoked by a subsequent direction;

(d) confer functions on a regulator.

(7) An amount payable to a regulator as a result of—

(a) any provision of rules made by the FCA or the PRA as a result of the regulations, or

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(b) the imposition of fees by the Bank of England as a result of a direction given under the regulations to the Bank,

may be recovered as a debt due to the regulator.

(8) "Relevant persons" means—

(a) in the case of a direction given to the PRA, PRA-authorised persons;

(b) in the case of a direction given to the FCA, authorised persons and recognised investment exchanges who (in either case) are not PRA-authorised persons;

(c) in the case of a direction given to the Bank of England, recognised clearing houses **[**F3227and recognised CSDs**]**, other than those falling within paragraph (a) or (b).

(9) This section is subject to section 410B.

Textual Amendments

F3227 Words in s. 410A(8)(c) inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **2(37)** (with regs. 7(4), 9(1))

410B Directions in pursuance of section 410A

(1) In this section "a fees direction" means a direction given by the Treasury as a result of regulations under section 410A.

(2) Before giving a fees direction to the FCA, the PRA or the Bank of England (each a "regulator"), the Treasury must consult the regulator concerned.

(3) A fees direction must—

(a) be in writing;

(b) except in the case of a direction that revokes a previous direction or a direction that varies a previous direction without affecting the total amount intended to be raised by the fees, specify the total amount intended to be raised by the fees to be charged by the regulator and explain how that amount is calculated;

(c) contain such other information as may be prescribed.

(4) As soon as practicable after giving a fees direction, the Treasury must lay before Parliament a copy of the direction.**]**

Tax treatment of levies and repayments

411 Tax treatment of levies and repayments.

F3228(1) . . . . . .

(2) F3229 . . . . . .

Textual Amendments

F3228 S. 411(1) repealed (1.12.2001) by S.I. 2001/3629, arts. 1(2)(a), 109, **Sch.**

F3229 S. 411(2) repealed (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), ss. 1326, 1329(1), **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

Status: *This version of this Act contains provisions that are prospective.*
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Gaming contracts

412 Gaming contracts.

(1) No contract to which this section applies is void or unenforceable because of—

(a) [F3230]. . . Article 170 of the Betting, Gaming, Lotteries and Amusements (Northern Ireland) Order 1985; or

(b) [F3231]. . . . . .

(2) This section applies to a contract if—

(a) it is entered into by either or each party by way of business;

(b) the entering into or performance of it by either party constitutes an activity of a specified kind or one which falls within a specified class of activity; and

(c) it relates to an investment of a specified kind or one which falls within a specified class of investment.

(3) Part II of Schedule 2 applies for the purposes of subsection (2)(c), with the references to section 22 being read as references to that subsection.

(4) Nothing in Part II of Schedule 2, as applied by subsection (3), limits the power conferred by subsection (2)(c).

(5) "Investment" includes any asset, right or interest.

(6) "Specified" means specified in an order made by the Treasury.

Textual Amendments

F3230 Words in s. 412(1)(a) repealed (1.9.2007) by Gambling Act 2005 (c. 19), ss. 334(1)(e)(i), 356(4)(5), 358(1), **Sch. 17** (with ss. 334(2), 352, 354); S.I. 2006/3272, art. 2(4), Sch. 3B (with Sch. 4) (as amended by S.I. 2007/1157, arts. 3(5), 7-12; S.I. 2007/1527, art. 2(2); S.I. 2007/2169, arts. 3, 6-11, Sch.)

F3231 S. 412(1)(b) repealed (1.9.2007) by Gambling Act 2005 (c. 19), ss. 334(1)(e)(ii), 356(4)(5), 358(1), **Sch. 17** (with ss. 334(2), 352, 354); (as amended by S.I. 2007/1157, arts. 3(5), 7-12; S.I. 2007/1527, art. 2(2); S.I. 2007/2169, arts. 3, 6-11, Sch.)

Commencement Information

I81 S. 412 wholly in force at 1.12.2001; s. 412 not in force at Royal Assent see s. 431(2); s. 412 in force for certain purposes at 25.2.2001 by S.I. 2001/516, art. 2(b), **Sch. Pt. 2**; s. 412 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**

[F3232 Trade-matching and reporting systems]

Textual Amendments

F3232 Ss. 412A, 412B and preceding cross-heading inserted (1.4.2007 for certain purposes and 1.11.2007 otherwise) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2007 (S.I. 2007/126), regs. 1(2), 3(5), **Sch. 5 para. 18**

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

F3233 412A Approval and monitoring of trade-matching and reporting systems

. . . . . .

Textual Amendments

F3233 Ss. 412A, 412B omitted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by virtue of The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 2 para. 50** (with reg. 7)

F3233 412B Procedure for approval and suspension or withdrawal of approval

. . . . . .

Textual Amendments

F3233 Ss. 412A, 412B omitted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by virtue of The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 2 para. 50** (with reg. 7)

Limitation on powers to require documents

413 Protected items.

(1) A person may not be required under this Act to produce, disclose or permit the inspection of protected items.

(2) "Protected items" means—

(a) communications between a professional legal adviser and his client or any person representing his client which fall within subsection (3);

(b) communications between a professional legal adviser, his client or any person representing his client and any other person which fall within subsection (3) (as a result of paragraph (b) of that subsection);

(c) items which—

(i) are enclosed with, or referred to in, such communications;

(ii) fall within subsection (3); and

(iii) are in the possession of a person entitled to possession of them.

(3) A communication or item falls within this subsection if it is made—

(a) in connection with the giving of legal advice to the client; or

(b) in connection with, or in contemplation of, legal proceedings and for the purposes of those proceedings.

(4) A communication or item is not a protected item if it is held with the intention of furthering a criminal purpose.

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Modifications etc. (not altering text)

C1544 S. 413 applied (1.5.2009 for certain purposes and 1.11.2009 otherwise) by The Payment Services Regulations 2009 (S.I. 2009/209), regs. 1(2)(b)(xiii)(c), 95, **Sch. 5 para. 8** (with reg. 3)

C1545 S. 413 applied (11.2.2010) by The Cross-Border Payments in Euro Regulations 2010 (S.I. 2010/89), reg. 19, **Sch. para. 6**

C1546 S. 413 applied (9.2.2011 for certain purposes and 30.4.2011 otherwise) by The Electronic Money Regulations 2011 (S.I. 2011/99), regs. 1(2)(a)(xiv)(b), 62, **Sch. 3 para. 9** (with reg. 3)

C1547 S. 413 applied (15.1.2013) by The Payments in Euro (Credit Transfers and Direct Debits) Regulations 2012 (S.I. 2012/3122), reg. 1, **Sch. para. 6**

C1548 S. 413 applied (1.1.2016) by The Small and Medium Sized Business (Finance Platforms) Regulations 2015 (S.I. 2015/1946), regs. 1(2), **24**

C1549 S. 413 applied (1.1.2016) by The Small and Medium Sized Business (Credit Information) Regulations 2015 (S.I. 2015/1945), regs. 1(2), **27**

C1550 S. 413 applied (18.9.2016) by The Payment Accounts Regulations 2015 (S.I. 2015/2038), reg. 1(2)(b), **Sch. 7 para. 7**

C1551 S. 413 applied (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 1 para. 24** (with reg. 7)

C1552 S. 413 applied (1.1.2018) by The Packaged Retail and Insurance-based Investment Products Regulations 2017 (S.I. 2017/1127), reg. 1, **Sch. 1 para. 8**

C1553 S. 413 applied (3.1.2018) by The Data Reporting Services Regulations 2017 (S.I. 2017/699), regs. 1(2)(b), **39**

C1554 S. 413 applied (13.1.2018) by The Payment Services Regulations 2017 (S.I. 2017/752), reg. 1(6), **Sch. 6 para. 11** (with reg. 3)

C1555 S. 413 applied (27.2.2018) by The Financial Services and Markets Act 2000 (Benchmarks) Regulations 2018 (S.I. 2018/135), regs. 1(2), **25**

C1556 S. 413 applied (1.1.2019) by The Securitisation Regulations 2018 (S.I. 2018/1288), reg. 1, **Sch. 1 para. 9** (with Sch. 1 paras. 13, 14)

C1557 S. 413 applied (31.5.2021) by The Civil Liability Act 2018 (Financial Conduct Authority) (Whiplash) Regulations 2021 (S.I. 2021/594), regs. 1, **2(10)(b)**

C1558 S. 413 applied (30.1.2024 for specified purposes) by The Securitisation Regulations 2024 (S.I. 2024/102), reg. 2(1)(e)(2), **Sch. 1 para. 14** (with reg. 52(3), Sch. 3)

C1559 S. 413 applied (30.1.2024 for specified purposes, 1.11.2024 in so far as not already in force) by The Securitisation Regulations 2024 (S.I. 2024/102), reg. 2(1)(e)(2), **Sch. 1 para. 14** (with reg. 52(3), Sch. 3); as amended by S.I. 2024/705, regs. 1(2), 2(2)

C1560 S. 413 applied (with modifications) (14.1.2025 for specified purposes) by The Short Selling Regulations 2025 (S.I. 2025/29), regs. 2(2)(3), 24, 25, Sch. 1 Pts. 1, **2**

Service of notices

414 Service of notices.

(1) The Treasury may by regulations make provision with respect to the procedure to be followed, or rules to be applied, when a provision of or made under this Act requires a notice, direction or document of any kind to be given or authorises the imposition of a requirement.

(2) The regulations may, in particular, make provision—

(a) as to the manner in which a document must be given;

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(b) as to the address to which a document must be sent;
(c) requiring, or allowing, a document to be sent electronically;
(d) for treating a document as having been given, or as having been received, on a date or at a time determined in accordance with the regulations;
(e) as to what must, or may, be done if the person to whom a document is required to be given is not an individual;
(f) as to what must, or may, be done if the intended recipient of a document is outside the United Kingdom.

(3) Subsection (1) applies however the obligation to give a document is expressed (and so, in particular, includes a provision which requires a document to be served or sent).

(4) Section 7 of the [M45]Interpretation Act 1978 (service of notice by post) has effect in relation to provisions made by or under this Act subject to any provision made by regulations under this section.

Modifications etc. (not altering text)
C1561 S. 414 amended (1.12.2001) by S.I. 2001/2657, **arts. 1(1)**, 10(7), 11(7) (which was revoked (8.10.2001) by S.I. 2001/3083, **arts. 1(2)**, 23); S.I. 2001/3538, **art. 2(1)**
S. 414 amended (1.12.2001) by S.I. 2001/3083, **arts. 1(2)**, 10(7), 11(7); S.I. 2001/3538, **art. 2(1)**
C1562 S. 414 applied (with modifications) (1.1.2016) by The Small and Medium Sized Business (Finance Platforms) Regulations 2015 (S.I. 2015/1946), regs. 1(2), **39(1)**
C1563 S. 414 applied (with modifications) (1.1.2016) by The Small and Medium Sized Business (Credit Information) Regulations 2015 (S.I. 2015/1945), regs. 1(2), **42(1)**
C1564 S. 414(4) applied (28.12.2020 until IP completion day when the amending provision ceases to have effect in accordance with reg. 1(4) of the amending S.I.) by The Bank Recovery and Resolution (Amendment) (EU Exit) Regulations 2020 (S.I. 2020/1350), regs. 1(4), **101(2)** (with reg. 107)
C1565 S. 414(4) applied (31.12.2023) by Financial Services and Markets Act 2023 (c. 29), s. 86(3), **Sch. 11 para. 151**; S.I. 2023/1382, reg. 8(b)

Commencement Information
I82 S. 414 wholly in force at 18.6.2001; s. 414 not in force at Royal Assent see s. 431(2); s. 414(1)-(3) in force at 25.2.2001 by S.I. 2001/516, art. 2(a), **Sch. Pt. 1**; s. 414 in force in so far as not already in force at 18.6.2001 by S.I. 2001/1820, art. 2, **Sch.**

Marginal Citations
M45 1978 c. 30.

Jurisdiction

415 Jurisdiction in civil proceedings.

(1) Proceedings arising out of any act or omission (or proposed act or omission) of—
[[F3234](a) the FCA,
(aa) the PRA,
(ab) the Bank of England,**]**
[F3235](b) . . . . . .
(c) the scheme manager, or
(d) the scheme operator,

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in the discharge or purported discharge of any of its functions under this Act may be brought before the High Court or the Court of Session.

(2) The jurisdiction conferred by subsection (1) is in addition to any other jurisdiction exercisable by those courts.

Textual Amendments

F3234 S. 415(1)(a)-(ab) substituted for s. 415(1)(a) (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 18 para. 24** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F3235 S. 415(1)(b) omitted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by virtue of Financial Services Act 2012 (c. 21), **ss. 16(14)(j)**, 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

Modifications etc. (not altering text)

C1566 S. 415 applied (1.12.2001) by S.I. 1995/1537, **reg. 23(2)** (as amended (1.12.2001) by S.I. 2001/3649, **arts. 1**, 509(c))

C1567 S. 415 modified (17.8.2001) by S.I. 2001/2617, arts. 2(a), 4(3), 8, **Sch. 2 para. 8**

C1568 S. 415 applied (with modifications) (6.4.2018 immediately after 2016 c. 16 (N.I.), s. 8(2) comes into force) by The Financial Services Act 2012 (Mutual Societies) Order 2018 (S.I. 2018/323), art. 1, **Sch. 1 para. 2(2)(g)** (with art. 3)

[F3236 Powers [F3237 under the Act]

Textual Amendments

F3236 S. 415A and preceding cross-heading inserted (8.4.2010) by Financial Services Act 2010 (c. 28), ss. 24(1), 26(1)(l), **Sch. 2 para. 30**

F3237 Words in s. 415A cross-heading substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 18 para. 25(3)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

415A Powers [F3238 under the Act]

Any power which the **[**F3239 FCA, the PRA or the Bank of England**]** has under any provision of this Act is not limited in any way by any other power which it has under any other provision of this Act.**]**

Textual Amendments

F3238 Words in s. 415A heading substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 18 para. 25(3)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F3239 Words in s. 415A substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 18 para. 25(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

[F3240 415AA Application of powers to formerly authorised persons

(1) A power in the following provisions may be exercised in relation to persons who were at any time authorised persons (in addition to persons who are authorised persons at the time when the power is exercised)—

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(a) section 168 (appointment of investigators in certain cases);
(b) section 205 (public censure);
(c) section 206 (financial penalties);
(d) section 384 (power to require restitution).

(2) Accordingly, references in the provisions listed in subsection (1), and in sections 207 to 209, to an authorised person are (so far as appropriate) to be read as including a person who was at any time an authorised person but who has ceased to be an authorised person.**]**

Textual Amendments

F3240 S. 415AA inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 60(3)**, 86(2)(f) (with s. 60(4))

Modifications etc. (not altering text)

C1569 S. 415AA applied (with modifications) (5.4.2024) by The Data Reporting Services Regulations 2024 (S.I. 2024/107), regs. 1(2), **26**; S.I. 2023/1382, reg. 4(c)

C1570 S. 415AA applied (with modifications) (14.1.2025 for specified purposes) by The Short Selling Regulations 2025 (S.I. 2025/29), regs. 2(2)(3), 24, 25, Sch. 1 Pts. 1, **2**

[F3241 Consultation [F3242 and co-operation]

Textual Amendments

F3241 S. 415B and cross-heading inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 9 para. 41** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F3242 Words in s. 415B cross-heading inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 40(2)**, 86(3); S.I. 2023/779, reg. 4(dd)

415B Consultation in relation to taking certain enforcement action

(1) The FCA must consult the PRA before taking a qualifying step in relation to a person who—
(a) is a PRA-authorised person, or
(b) has a qualifying relationship with a PRA-authorised person.

(2) The PRA must consult the FCA before taking a qualifying step.

(3) In this section any reference to the taking of a qualifying step is a reference to—
(a) the giving of a warning notice or decision notice under section 63B (performance of controlled functions without approval),
(b) the giving of a warning notice or decision notice under section 67 (disciplinary powers in relation to approved person),
F3243(c) . . . . . .
(d) **[**F3244the giving of a warning notice or decision notice under section 131H (short selling),**]**
(e) the giving of a warning notice under section 207 or a decision notice under section 208 (breaches of requirements imposed by or under Act etc.),

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

(f) the giving of a warning notice under section 312G or a decision notice under section 312H (recognised bodies),

(g) the making of an application to the court under section 380, 381, 382 or 383 (injunctions or restitution), or

(h) the giving of a warning notice under section 385 or a decision notice under section 386 (power of FCA or PRA to require restitution).

(4) A person has a qualifying relationship with a PRA-authorised person ("A") for the purposes of this section if—

(a) the person is a member of A's immediate group, or

(b) in the case of a qualifying step within subsection (3)(a) or (b), the person performs a **[**F3245relevant senior management**]** function under an arrangement entered into by A, or by a contractor of A, in relation to the carrying on by A of a regulated activity.

F3246...

F3247**[** (5) In subsection (4)—

"arrangement" has the same meaning as in section 59;

"relevant senior management function" means a function which the FCA is satisfied is a senior management function as defined in section 59ZA (whether or not it **[**F3248is a designated senior management function as defined by section 59ZB).**]]]**

Textual Amendments

F3243 S. 415B(3)(c) omitted (3.7.2016) by virtue of The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **10(20)**

F3244 S. 415B(3)(d) omitted (14.1.2025 for specified purposes) by virtue of The Short Selling Regulations 2025 (S.I. 2025/29), reg. 2(2)(3), **Sch. 2 para. 1(8)**

F3245 Words in s. 415B(4)(b) substituted (7.3.2016) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 3 para. 15(2)(a)**; S.I. 2015/490, art. 2(1)(b) (with savings and transitional provisions in S.I. 2015/492 (as amended by S.I. 2015/1660))

F3246 Words in s. 415B(4) omitted (7.3.2016) by virtue of Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 3 para. 15(2)(b)**; S.I. 2015/490, art. 2(1)(b) (with savings and transitional provisions in S.I. 2015/492 (as amended by S.I. 2015/1660))

F3247 S. 415B(5) inserted (7.3.2016) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 3 para. 15(3)**; S.I. 2015/490, art. 2(1)(b) (with savings and transitional provisions in S.I. 2015/492 (as amended by S.I. 2015/1660))

F3248 Words in s. 415B(5) substituted (13.9.2018 for specified purposes, 10.12.2018 for specified purposes, 18.7.2019 for specified purposes, 9.8.2019 for specified purposes, 9.12.2019 for specified purposes, 7.12.2020 in so far as not already in force) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 4 para. 20**; S.I. 2018/990, reg. 2(1)(2)(3) (with regs. 3-6); S.I. 2019/1136, reg. 2(2)(3)(4)(5) (with reg. 3)

Modifications etc. (not altering text)

C1571 S. 415B applied (1.1.2019) by The Securitisation Regulations 2018 (S.I. 2018/1288), reg. 1, **Sch. 1 para. 10** (with Sch. 1 paras. 13, 14)

C1572 S. 415B applied (31.5.2021) by The Civil Liability Act 2018 (Financial Conduct Authority) (Whiplash) Regulations 2021 (S.I. 2021/594), regs. 1, **2(10)(c)**

C1573 S. 415B applied (30.1.2024 for specified purposes, 1.11.2024 in so far as not already in force) by The Securitisation Regulations 2024 (S.I. 2024/102), reg. 2(1)(e)(2), **Sch. 1 para. 15** (with reg. 52(3), Sch. 3); as amended by S.I. 2024/705, regs. 1(2), 2(2)

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

C1574 S. 415B applied (with modifications) (14.1.2025 for specified purposes) by The Short Selling Regulations 2025 (S.I. 2025/29), regs. 2(2)(3), 24, 25, 26, Sch. 1 Pts. 1, 2, **3**

[F3249 415C Co-operation and consultation in relation to exercise of functions

(1) In exercising its functions under this Act a relevant organisation ("R") must—

(a) take such steps as R considers appropriate to co-operate with each of the other relevant organisations in relation to matters of interest to that organisation, and

(b) consult such other persons as R considers appropriate in relation to any matters that R considers to be of interest to those persons.

(2) A matter is of interest to another relevant organisation for the purposes of subsection (1) if it appears to R that it has, or is likely to have, significant implications in relation to—

(a) the exercise by that other relevant organisation of functions under this Act, or

(b) the functioning generally of relevant markets within the meaning of section 1F.

(3) The relevant organisations must prepare and publish a statement of policy with respect to compliance with the duty under subsection (1).

(4) The relevant organisations may alter or replace a statement published under subsection (3).

(5) The relevant organisations must publish a statement as altered or replaced under subsection (4).

(6) The relevant organisations—

(a) must, at least once a year, prepare and publish a report on their compliance with the duty under subsection (1), and

(b) must put in place arrangements enabling representations to be made about their compliance with that duty (whether by seeking representations in response to the report or otherwise).

(7) Except in the case of the first report to be prepared under this section, a report prepared under subsection (6)(a) must include a summary of representations received in the preceding year in accordance with arrangements made under subsection (6)(b).

(8) Publication under this section is to be made in such manner as the relevant organisations consider best designed to bring the publication to the attention of the public.

(9) In this section "relevant organisation" means—

(a) the FCA;

(b) the scheme operator of the ombudsman scheme within the meaning of section 225(2);

(c) the scheme manager of the Financial Services Compensation Scheme within the meaning of section 212.**]**

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Textual Amendments

F3249 S. 415C inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 40(3)**, 86(3); S.I. 2023/779, reg. 4(dd)

Removal of certain unnecessary provisions

416 Provisions relating to industrial assurance and certain other enactments.

(1) The following enactments are to cease to have effect—

(a) the [M46]Industrial Assurance Act 1923;

(b) the [M47]Industrial Assurance and Friendly Societies Act 1948;

(c) the [M48]Insurance Brokers (Registration) Act 1977.

(2) The [M49]Industrial Assurance (Northern Ireland) Order 1979 is revoked.

(3) The following bodies are to cease to exist—

(a) the Insurance Brokers Registration Council;

(b) the Policyholders Protection Board;

(c) the Deposit Protection Board;

(d) the Board of Banking Supervision.

(4) If the Treasury consider that, as a consequence of any provision of this section, it is appropriate to do so, they may by order make any provision of a kind that they could make under this Act (and in particular any provision of a kind mentioned in section 339) with respect to anything done by or under any provision of Part XXI.

(5) Subsection (4) is not to be read as affecting in any way any other power conferred on the Treasury by this Act.

Commencement Information

I83 S. 416 wholly in force at 1.12.2001; s. 416 not in force at Royal Assent see s. 431(2); s. 416(4)(5) in force at 25.2.2001 by S.I. 2001/516, art. 2(a), **Sch. Pt. 1**; s. 416(1)(c)(3)(a) in force at 30.4.2001 by S.I. 2001/1282, **art. 2(a)**; s. 416 in force at 1.12.2001 so far as not already in force (except sub-section (3)(b)(c) which are in force at 2.3.2002) by S.I. 2001/3538, **art. 2(1)(4)**

Marginal Citations

M46 1923 c. 8.

M47 1948 c. 39.

M48 1977 c. 46.

M49 S.I. 1979/1574 (N.I. 13).

I[F3250] Sustainability disclosure requirements

Textual Amendments

F3250 Ss. 416A, 416B and cross-heading inserted (1.1.2024) by Financial Services and Markets Act 2023 (c. 29), **ss. 21(2)**, 86(3); S.I. 2023/1382, reg. 9(1)(a)

Status: *This version of this Act contains provisions that are prospective.*
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416A SDR policy statement

(1) The Treasury may prepare an SDR policy statement.

(2) An "SDR policy statement" is a statement of the policies of His Majesty's Government concerning disclosure requirements in connection with matters relating to sustainability.

(3) In preparing an SDR policy statement, the Treasury must consult the regulators.

(4) The Treasury must publish any SDR policy statement in such manner as they consider appropriate.

(5) The Treasury—

(a) must keep any SDR policy statement under review;

(b) may prepare a revised statement (and subsections (3) and (4) apply in relation to any revised statement);

(c) may withdraw any SDR policy statement.

(6) The Treasury may request a regulator to provide them with a report on any matter that the Treasury require in connection with the preparation of an SDR policy statement.

(7) A request for a report under subsection (6)—

(a) must be made in writing, and

(b) may require a regulator to send the report to the Treasury within such reasonable period as may be specified in the request (or such other period as may be agreed).

(8) A regulator must comply with a request under subsection (6).

(9) Nothing in section 348, or in regulations made under section 349, is to be taken as preventing or restricting the ability of a regulator to disclose information to the Treasury for the purposes of this section.

(10) Subsection (9) does not apply in relation to information provided to a regulator by a regulatory authority outside the United Kingdom.

416B FCA and PRA rules etc

(1) When making rules or issuing guidance in connection with disclosure concerning matters relating to sustainability, a regulator must have regard to any SDR policy statement (within the meaning of section 416A) that the Treasury have published and not withdrawn.

(2) For the purposes of this section, matters relating to sustainability include matters relating to—

(a) the environment, including climate change,

(b) social, community and human rights issues,

(c) tackling corruption and bribery, and

(d) governance, so far as relevant to matters within paragraphs (a) to (c).**]**

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PART XXIX

INTERPRETATION

417 Definitions.

(1) In this Act **[**F3251and in any order or regulations made under this Act**]**—

[F3252"AIF" has the meaning given in regulation 3 of the Alternative Investment Fund Managers Regulations 2013;**]**

"appointed representative" has the meaning given in section 39(2);

"auditors and actuaries rules" means rules made under section 340;

"authorisation offence" has the meaning given in section 23(2);

"authorised open-ended investment company" has the meaning given in section 237(3);

"authorised person" has the meaning given in section 31(2);

[F3253"Bank of England" is to be read in accordance with section 2A(4) to (6);**]**

F3254...

"body corporate" includes a body corporate constituted under the law of a country or territory outside the United Kingdom;

[F3255"capital requirements directive" means Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC**[**F3256, as it had effect immediately before IP completion day**].]**

[F3255"capital requirements regulation" means Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 **[**F3257, as it **[**F3258forms part of **[**F3259assimilated**]** law**]].]**

[F3260"central securities depository" **[**F3261means a CSD or third-country CSD as defined in**]** Article 2(1) of the CSD regulation;**]**

"chief executive"—

(a) in relation to a body corporate whose principal place of business is within the United Kingdom, means an employee of that body who, alone or jointly with one or more others, is responsible under the immediate authority of the directors, for the conduct of the whole of the business of that body; and

(b) in relation to a body corporate whose principal place of business is outside the United Kingdom, means the person who, alone or jointly with one or more others, is responsible for the conduct of its business within the United Kingdom;

[F3262 "claim", in relation to the Financial Services Compensation Scheme under Part XV, is to be construed in accordance with section 214(1B);**]**

"collective investment scheme" has the meaning given in section 235;

"the Commission" means the European Commission F3263...;

"the compensation scheme" has the meaning given in section 213(2);

"control of information rules" has the meaning given in **[**F3264section 137P**]**;

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[F3265“core activities” has the meaning given in section 142B;**]**

[F3265“core services” has the meaning given in section 142C;**]**

[F3266“credit-related regulated activity” has the meaning given in section 23(1B);**]**

[F3267“credit institution” means an undertaking the business of which is to take deposits or other repayable funds from the public and to grant credits for its own account;**]**

[F3268“CRR rules” has the meaning given in section 144A;**]**

[F3269“cryptoasset” means any cryptographically secured digital representation of value or contractual rights that—

(a) can be transferred, stored or traded electronically, and

(b) that uses technology supporting the recording or storage of data (which may include distributed ledger technology).**]**

[F3270“the CSD regulation” means Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories **[**F3271, as it **[**F3272forms part of **[**F3259assimilated**]** law**]]**;**]**

[F3273“the data protection legislation” has the same meaning as in the Data Protection Act 2018 (see section 3 of that Act);**]**

[F3274“designated activity” has the meaning given in section 71K;**]**

“director”, in relation to a body corporate, includes—

(a) a person occupying in relation to it the position of a director (by whatever name called); and

(b) a person in accordance with whose directions or instructions (not being advice given in a professional capacity) the directors of that body are accustomed to act;

“documents” includes information recorded in any form and, in relation to information recorded otherwise than in legible form, references to its production include references to producing a copy of the information in legible form **[**F3275 , or in a form from which it can readily be produced in visible and legible form**]**;

F3276…

F3276…

F3277…

[F3278 “ESMA” means the European Securities and Markets Authority established by Regulation (EU) No. 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority);**]**

[F3279“the EU Benchmarks Regulation 2016” 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 **[**F3280, as it forms part of **[**F3259assimilated**]** law**]**;**]**

[F3281“excluded activities” has the meaning given in section 142D;**]**

“exempt person”, in relation to a regulated activity, means a person who is exempt from the general prohibition in relation to that activity as a result of an exemption order made under section 38(1) or as a result of section 39(1) or F3282**[**F3283... 285**]**;

Status: *This version of this Act contains provisions that are prospective.*
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[F3284“the FCA” means the Financial Conduct Authority;**]**

“financial promotion rules” means rules made under **[**F3285section 137R**]**;

[F3286“Financial Stability Objective” means the objective set out in section 2A of the Bank of England Act 1998;**]**

“friendly society” means an incorporated or registered friendly society;

[F3252“full-scope UKAIFM” has the meaning given in regulation 2(1) of the Alternative Investment Fund Managers Regulations 2013;**]**

“general prohibition” has the meaning given in section 19(2);

[F3287“general rules”—

(a) in relation to the FCA, has the meaning given in section 137A(2), and

(b) in relation to the PRA, has the meaning given in section 137G(2);**]**

[F3288“Gibraltar-based person” has the meaning given in paragraph 1 of Schedule 2A (read with Part 14 of that Schedule);**]**

“incorporated friendly society” means a society incorporated under the M50 Friendly Societies Act 1992;

F3289 …

F3277 …

[F3290“insurance undertaking” means—

(a) an undertaking which is authorised by or under this Act to carry on the regulated activity of effecting or carrying out contracts of insurance as principal, or

(b) the association of underwriters known as Lloyd’s;**]**

[F3291“investment services and activities” means any of the services and activities listed in Part 3 of Schedule 2 to the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (S.I. 2001/544), relating to any of the instruments listed in Part 1 of that Schedule;**]**

F3292 …

[F3293“market abuse regulation” means Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC**[**F3294, as it **[**F3295forms part of **[**F3259assimilated**]** law**]]**;**]**

[F3296“markets in financial instruments regulation” means Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2004 on markets in financial **[**F3297instruments, as it forms part of **[**F3259assimilated**]** law;**]]**

F3298 …

“Minister of the Crown” has the same meaning as in the Ministers of the Crown Act 1975;

[F3299“MMF Regulation” means Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds **[**F3300, as it forms part of **[**F3259assimilated**]** law**]**;**]**

F3276 …

F3276 …

F3301 …

F3302 …

“the ombudsman scheme” has the meaning given in section 225(3);

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"open-ended investment company" has the meaning given in section 236;

[[F3303]"Part 4A permission" has the meaning given in section 55A(5);**]**

[[F3304]"Part 9C prohibition order" has the meaning given in section 143S;**]**

[[F3304]"Part 9C rules" has the meaning given in section 143F;**]**

[[F3305]"Part 18 prohibition order" has the meaning given in section 309B;**]**

"partnership" includes a partnership constituted under the law of a country or territory outside the United Kingdom;

[[F3306]"the Payment Systems Regulator" means the body established under section 40(1) of the Financial Services (Banking Reform) Act 2013;**]**

[[F3307]"the PRA" means the Prudential Regulation Authority;

"PRA-authorised person" has the meaning given in section 2B(5);

"PRA-regulated activity" has the meaning given in section 22A;**]**

"prescribed" (where not otherwise defined) means prescribed in regulations made by the Treasury;

"price stabilising rules" means rules made under **[**[F3308] section 137Q**]**;

[[F3309]"principal" in relation to an appointed representative, is to be read in accordance with section 39;**]**

"private company" has **[**[F3310] the same meaning as in the Companies Acts (see section 4 of the Companies Act 2006)**]**;

"prohibition order" **[**[F3311](except in the expression "Part 9C prohibition order" **[**[F3312]or "Part 18C prohibition order"**])]** has the meaning given in section 56(2);

[[F3313]"qualifying credit institution" means a credit institution which—

((a)) is a person who—

((i)) has Part 4A permission to carry on the regulated activity of accepting deposits, or

((ii)) satisfies the conditions for being given permission under Part 4A to carry on that activity, or

((iii)) is a body corporate incorporated in the United Kingdom and would satisfy those conditions—

(aa) were its head office in the United Kingdom, or

(bb) if it has a registered office, were its registered office, or its registered office and its head office, in the United Kingdom,

((b)) is not a friendly society, and

((c)) is not a society registered as a credit union under—

((i)) the Co-operative and Community Benefit Societies Act 2014,

((ii)) the Credit Unions (Northern Ireland) Order 1985 (S.I. 1985/1205 (N.I. 12)), or

((iii)) the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 (c. 24 (N.I.));**]**

[[F3314]"recognised CSD",**]** "recognised clearing house" and "recognised investment exchange" have the meaning given in section 285;

"registered friendly society" means a society which is—

(a) a friendly society within the meaning of section 7(1)(a) of the [M51] Friendly Societies Act 1974; and

(b) registered within the meaning of that Act;

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[F3315“registered society” (except where otherwise indicated) means—

((a)) a registered society within the meaning of the Co-operative and Community Benefit Societies Act 2014, or

((b)) a society registered or deemed to be registered under the Industrial and Provident Societies Act (Northern Ireland) 1969;**]**

“regulated activity” has the meaning given in section 22;

[F3316“regulated claims management activity” means activity of a kind specified in an order under section 22(1B) (regulated activities: claims management services);**]**

“regulating provisions” has the meaning given in **[**F3317section 140A**]**;

[F3318“regulator” has the meaning given in section 3A(2);**]**

[F3319“reinsurance undertaking” means—

(a) an undertaking which is authorised by or under this Act to carry on the regulated activity of effecting or carrying out contracts of insurance that are limited to reinsurance contracts as principal, or

(b) the association of underwriters known as Lloyd’s;**]**

[F3320“relevant designated activity” has the meaning given in section 71T(1);**]**

[F3320“relevant Part 5A requirement” is to be read in accordance with section 71T(2);**]**

[F3321“ring-fencing rules” has the meaning given in section 142H;**]**

[F3321“ring-fenced body” has the meaning given in section 142A;**]**

F3322…

F3322…

[F3323“rule” means a rule made by the FCA or the PRA under this Act;**]**

“rule-making instrument” has the meaning given in **[**F3324section 138G**]**;

[F3288“Schedule 2A permission” has the meaning given in paragraph 12(4) of Schedule 2A;**]**

[F3288“Schedule 2B permission” has the meaning given in paragraph 7(6) of Schedule 2B;**]**

“the scheme manager” has the meaning given in section 212(1);

“the scheme operator” has the meaning given in section 225(2);

“scheme particulars rules” has the meaning given in section 248(1);

“Seventh Company Law Directive” means the European Council Seventh Company Law Directive of 13 June 1983 on consolidated accounts (No. 83/349/ EEC);

[F3325“SFT regulation” means Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012;**]**

[F3326**[**F3327“short selling regulation” means Regulation (EU) No 236/2012 of the European Parliament and of the Council of 14 March 2012 on short selling and certain aspects of credit default swaps **[**F3328, as it **[**F3329forms part of **[**F3259assimilated**]** law**]]**;**]]**

F3330…

[F3331 “Takeovers Directive” means Directive 2004/25/ EC of the European Parliament and of the Council;**]**

F3332…

Status: *This version of this Act contains provisions that are prospective.*
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[F3333"threshold conditions", in relation to a regulated activity, has the meaning given in section 55B(1);**]**

F3276 …

F3277 …

[F3334 "the Tribunal" means the Upper Tribunal;**]**

"trust scheme rules" has the meaning given in section 247(1);

[F3299"UCITS" has the meaning given in **[**F3335section 236A**]**;**]**

"UK authorised person" has the meaning given in **[**F3336section 191G(1)**]**;

[F3337 "the UK financial system" has the meaning given in **[**F3338section 1I**]**;**]** and

"unit trust scheme" has the meaning given in section 237.

F3339(1A) . . . . . .

(2) In the application of this Act to Scotland, references to a matter being actionable at the suit of a person are to be read as references to the matter being actionable at the instance of that person.

(3) For the purposes of any provision of this Act **[**F3340(other than a provision of Part 6)**]** authorising or requiring a person to do anything within a specified number of days no account is to be taken of any day which is a public holiday in any part of the United Kingdom.

F3341(4) . . . . . .

[F3342(5) The Treasury may by regulations amend the definition of "cryptoasset" in subsection (1).**]**

Textual Amendments

F3251 Words in s. 417(1) inserted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **85(2)**; 2020 c. 1, Sch. 5 para. 1(1)

F3252 Words in s. 417(1) inserted (22.7.2013) by The Alternative Investment Fund Managers Regulations 2013 (S.I. 2013/1773), reg. 1, **Sch. 1 para. 31**

F3253 Words in s. 417(1) inserted (1.3.2017) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 49** (with Sch. 3); S.I. 2017/43, reg. 2(g)

F3254 Words in s. 417(1) omitted (1.4.2013) by virtue of Financial Services Act 2012 (c. 21), **ss. 48(1)(a)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F3255 Words in s. 417(1) inserted (1.1.2014) by The Capital Requirements Regulations 2013 (S.I. 2013/3115), reg. 1(2), **Sch. 2 para. 24**

F3256 Words in s. 417(1) inserted (29.12.2020) by The Financial Holding Companies (Approval etc.) and Capital Requirements (Capital Buffers and Macro-prudential Measures) (Amendment) (EU Exit) Regulations 2020 (S.I. 2020/1406), regs. 1(4), **2(10)** (with reg. 5)

F3257 Words in s. 417(1) inserted (23.3.2019) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(2)(b), **85(3)**

F3258 Words in s. 417(1) substituted (31.12.2020 immediately before IP completion day) by The Securities Financing Transactions, Securitisation and Miscellaneous Amendments (EU Exit) Regulations 2020 (S.I. 2020/1385), regs. 1(4), **38(3)(a)(i)**

F3259 Word in s. 417(1) substituted (1.1.2024) by The Retained EU Law (Revocation and Reform) Act 2023 (Consequential Amendment) Regulations 2023 (S.I. 2023/1424), reg. 1(2), **Sch. para. 44(2)(h)**

F3260 Words in s. 417(1) inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **2(38)(a)** (with regs. 7(4), 9(1))

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F3261 Words in s. 417(1) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **85(4)**; 2020 c. 1, Sch. 5 para. 1(1)

F3262 S. 417(1): definition of "claim" inserted (17.2.2009 for certain purposes and 21.2.2009 otherwise) by Banking Act 2009 (c. 1), **ss. 174(2)**, 263(1) (with s. 247); S.I. 2009/296, **arts. 2**, 3, Sch. para. 4

F3263 Words in s. 417 omitted (1.4.2014) by virtue of The Enterprise and Regulatory Reform Act 2013 (Competition) (Consequential, Transitional and Saving Provisions) Order 2014 (S.I. 2014/892), art. 1(1), **Sch. 1 para. 131** (with art. 3)

F3264 Words in s. 417(1) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 48(1)(b)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F3265 Words in s. 417(1) inserted (1.3.2014 for specified purposes, 1.1.2019 in so far as not already in force) by Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 4(5)(a)**, 148(5); S.I. 2014/377, art. 2(1)(b), Sch. Pt. 2; S.I. 2018/1306, art. 2(d)

F3266 Words in s. 417(1) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 48(1)(c)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F3267 Words in s. 417(1) inserted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **85(5)**; 2020 c. 1, Sch. 5 para. 1(1)

F3268 Words in s. 417(1) inserted (9.6.2021) by Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 3 para. 18** (with Sch. 3 Pt. 4); S.I. 2021/671, reg. 2(d)

F3269 Words in s. 417(1) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 69(4)(a)**, 86(3); S.I. 2023/779, reg. 4(uu)

F3270 Words in s. 417(1) inserted (21.11.2014) by The Central Securities Depositories Regulations 2014 (S.I. 2014/2879), regs. 1(1), **6(3)**

F3271 Words in s. 417(1) inserted (23.3.2019) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(2)(b), **85(6)**

F3272 Words in s. 417(1) substituted (31.12.2020 immediately before IP completion day) by The Securities Financing Transactions, Securitisation and Miscellaneous Amendments (EU Exit) Regulations 2020 (S.I. 2020/1385), regs. 1(4), **38(3)(a)(ii)**

F3273 Words in s. 417(1) inserted (25.5.2018) by Data Protection Act 2018 (c. 12), s. 212(1), **Sch. 19 para. 53** (with ss. 117, 209, 210); S.I. 2018/625, reg. 2(1)(g)

F3274 Words in s. 417 inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 8(7)**, 86(3); S.I. 2023/779, reg. 4(e)

F3275 S. 417(1): words in definition of "documents" inserted (1.4.2003) by 2001 c. 16, ss. 70, 138(2), Sch. 2 Pt. 2 para. 16(2)(f); S.I. 2003/708, **art. 2(c)(k)**

F3276 Words in s. 417(1) omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **85(13)**; 2020 c. 1, Sch. 5 para. 1(1)

F3277 Words in s. 417(1) omitted (31.12.2020) by virtue of The Electronic Commerce and Solvency 2 (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/1361), regs. 1(2), **3(a)** (as amended by S.I. 2019/1390, regs. 1(2), 6); 2020 c. 1, Sch. 5 para. 1(1)

F3278 Words in s. 417(1) inserted (16.4.2012) by The Financial Services (Omnibus 1 Directive) Regulations 2012 (S.I. 2012/916), regs. 1, **2(14)(b)**

F3279 Words in s. 417(1) inserted (27.2.2018) by The Financial Services and Markets Act 2000 (Benchmarks) Regulations 2018 (S.I. 2018/135), regs. 1(2), **49(1)**

F3280 Words in s. 417(1) inserted (31.12.2020 immediately before IP completion day) by The Securities Financing Transactions, Securitisation and Miscellaneous Amendments (EU Exit) Regulations 2020 (S.I. 2020/1385), regs. 1(4), **38(3)(a)(iii)**

F3281 Words in s. 417(1) inserted (1.3.2014 for specified purposes, 1.1.2019 in so far as not already in force) by Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 4(5)(b)**, 148(5); S.I. 2014/377, art. 2(1)(b), Sch. Pt. 2; S.I. 2018/1306, art. 2(d)

F3282 Words in s. 417(1) omitted (28.11.2017) by virtue of The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **2(38)(b)** (with regs. 7(4), 9(1))

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F3283 Words in s. 417(1) substituted (1.4.2013) by The Financial Services and Markets Act 2000 (Over the Counter Derivatives, Central Counterparties and Trade Repositories) Regulations 2013 (S.I. 2013/504), regs. 1(2), **3(15)** (with regs. 52-58)

F3284 S. 417(1): definition of "the FCA" inserted (24.1.2013) by Financial Services Act 2012 (c. 21), **ss. 48(1)(d)**, 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(a), Sch. Pt. 1

F3285 Words in s. 417(1) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 48(1)(e)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F3286 Words in s. 417(1) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 9(6)**, 86(3); S.I. 2023/779, reg. 4(f)

F3287 Words in s. 417(1) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 48(1)(f)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F3288 Words in s. 417(1) inserted (1.9.2023 for specified purposes) by Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 8 para. 14**; S.I. 2023/934, reg. 2(b)(v)

F3289 Words in s. 417(1) omitted (1.8.2014) by virtue of Co-operative and Community Benefit Societies Act 2014 (c. 14), s. 154, **Sch. 4 para. 71(1)** (with Sch. 5)

F3290 Words in s. 417(1) substituted (31.12.2024) by The Insurance and Reinsurance Undertakings (Prudential Requirements) (Amendment and Miscellaneous Provisions) Regulations 2024 (S.I. 2024/1083), regs. 1(2)(b), **7(a)**

F3291 Words in s. 417(1) substituted (31.12.2020 immediately before IP completion day) by The Securities Financing Transactions, Securitisation and Miscellaneous Amendments (EU Exit) Regulations 2020 (S.I. 2020/1385), regs. 1(4), **38(3)(a)(iv)**

F3292 Words in s. 417(1) omitted (3.7.2016) by virtue of The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **10(21)(a)**

F3293 Words in s. 417(1) inserted (3.7.2016) by The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **10(21)(b)**

F3294 Words in s. 417(1) inserted (23.3.2019) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(2)(b), **85(8)**

F3295 Words in s. 417(1) substituted (31.12.2020 immediately before IP completion day) by The Securities Financing Transactions, Securitisation and Miscellaneous Amendments (EU Exit) Regulations 2020 (S.I. 2020/1385), regs. 1(4), **38(3)(a)(v)**

F3296 Words in s. 417(1) inserted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 2 para. 51(3)** (with reg. 7)

F3297 Words in s. 417(1) substituted (31.12.2020 immediately before IP completion day) by The Securities Financing Transactions, Securitisation and Miscellaneous Amendments (EU Exit) Regulations 2020 (S.I. 2020/1385), regs. 1(4), **38(3)(a)(vi)**

F3298 Words in s. 417(1) omitted (31.12.2024) by virtue of The Insurance and Reinsurance Undertakings (Prudential Requirements) (Amendment and Miscellaneous Provisions) Regulations 2024 (S.I. 2024/1083), regs. 1(2)(b), **7(b)**

F3299 Words in s. 417(1) inserted (28.6.2018 for specified purposes, 21.7.2018 in so far as not already in force) by The Money Market Funds Regulations 2018 (S.I. 2018/698), regs. 1(2), **2(17)**

F3300 Words in s. 417(1) inserted (31.12.2020 immediately before IP completion day) by The Securities Financing Transactions, Securitisation and Miscellaneous Amendments (EU Exit) Regulations 2020 (S.I. 2020/1385), regs. 1(4), **38(3)(a)(vii)**

F3301 Words in s. 417(1) omitted (1.4.2013) by virtue of Financial Services Act 2012 (c. 21), **ss. 48(1)(g)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F3302 Words in s. 417(1) omitted (1.4.2013) by virtue of Financial Services Act 2012 (c. 21), **ss. 48(1)(h)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F3303 Words in s. 417(1) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 48(1)(i)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F3304 Words in s. 417(1) inserted (1.7.2021) by Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 2 para. 15(2)** (with Sch. 2 Pt. 3); S.I. 2021/671, reg. 4(b)

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F3305 Words in s. 417(1) inserted (29.6.2023 for specified purposes) by Financial Services and Markets Act 2023 (c. 29), s. 86(1)(e), **Sch. 10 para. 16(2)**

F3306 Words in s. 417(1) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 52(2)**, 86(2)(b)

F3307 S. 417(1): definitions of "the PRA", "PRA-authorised person" and "PRA-regulated activity" inserted (24.1.2013) by Financial Services Act 2012 (c. 21), **ss. 48(1)(j)**, 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(a), Sch. Pt. 1

F3308 Words in s. 417(1) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 48(1)(k)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F3309 Words in s. 417(1) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 48(1)(l)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F3310 S. 417(1): words in definition of "private company" substituted (1.10.2009) by The Companies Act 2006 (Consequential Amendments, Transitional Provisions and Savings) Order 2009 (S.I. 2009/1941), art. 2(1), **Sch. 1 para. 181(4)** (with art. 10)

F3311 Words in s. 417(1) inserted (1.7.2021) by Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 2 para. 15(3)** (with Sch. 2 Pt. 3); S.I. 2021/671, reg. 4(b)

F3312 Words in s. 417(1) inserted (29.6.2023 for specified purposes) by Financial Services and Markets Act 2023 (c. 29), s. 86(1)(e), **Sch. 10 para. 16(3)**

F3313 Words in s. 417(1) inserted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **85(9)**; 2020 c. 1, Sch. 5 para. 1(1)

F3314 Words in s. 417(1) inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, **2(38)(c)** (with regs. 7(4), 9(1))

F3315 Words in s. 417(1) inserted (1.8.2014) by Co-operative and Community Benefit Societies Act 2014 (c. 14), s. 154, **Sch. 4 para. 71(2)** (with Sch. 5)

F3316 Words in s. 417(1) inserted (E.W.S.) (6.10.2018) by Financial Guidance and Claims Act 2018 (c. 10), **ss. 27(10)**, 37(5); S.I. 2018/1045, reg. 2(a)

F3317 Words in s. 417(1) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 48(1)(m)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F3318 S. 417(1): definition of "regulator" inserted (24.1.2013) by Financial Services Act 2012 (c. 21), **ss. 48(1)(n)**, 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(a), Sch. Pt. 1

F3319 Words in s. 417(1) substituted (31.12.2024) by The Insurance and Reinsurance Undertakings (Prudential Requirements) (Amendment and Miscellaneous Provisions) Regulations 2024 (S.I. 2024/1083), regs. 1(2)(b), **7(c)**

F3320 Words in s. 417(1) inserted (14.1.2025) by The Financial Services and Markets Act 2000 (Designated Activities) (Supervision and Enforcement) Regulations 2025 (S.I. 2025/22), reg. 1(2), **Sch. para. 23**

F3321 Words in s. 417(1) inserted (1.3.2014 for specified purposes, 21.4.2016 for specified purposes, 1.1.2019 in so far as not already in force) by Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 4(5)(c)**, 148(5); S.I. 2014/377, art. 2(1)(b), Sch. Pt. 2; S.I. 2016/512, art. 2(a); S.I. 2018/1306, art. 2(d)

F3322 Words in s. 417(1) omitted (1.4.2013) by virtue of Financial Services Act 2012 (c. 21), **ss. 48(1)(o)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F3323 Words in s. 417(1) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 48(1)(p)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F3324 Words in s. 417(1) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 48(1)(q)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F3325 Words in s. 417(1) inserted (13.7.2016) by The Financial Services and Markets Act 2000 (Transparency of Securities Financing Transactions and of Reuse) Regulations 2016 (S.I. 2016/715), reg. 1(2), **Sch. 1 para. 1(5)**

F3326 Words in s. 417(1) inserted (1.11.2012) by The Financial Services and Markets Act 2000 (Short Selling) Regulations 2012 (S.I. 2012/2554), regs. 1(1), **2(15)**

F3327 Words in s. 417(1) omitted (14.1.2025 for specified purposes) by virtue of The Short Selling Regulations 2025 (S.I. 2025/29), reg. 2(2)(3), **Sch. 2 para. 1(9)**

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F3328 Words in s. 417(1) inserted (23.3.2019) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(2)(b), **85(11)**

F3329 Words in s. 417(1) substituted (31.12.2020 immediately before IP completion day) by The Securities Financing Transactions, Securitisation and Miscellaneous Amendments (EU Exit) Regulations 2020 (S.I. 2020/1385), regs. 1(4), **38(3)(a)(viii)**

F3330 Words in s. 417(1) omitted (31.12.2024) by virtue of The Insurance and Reinsurance Undertakings (Prudential Requirements) (Amendment and Miscellaneous Provisions) Regulations 2024 (S.I. 2024/1083), regs. 1(2)(b), **7(d)**

F3331 S. 417(1): definition inserted (6.4.2007) by Companies Act 2006 (c. 46), **ss. 964(6)**, 1300(2); S.I. 2007/1093, **art. 2(1)(b)** (with arts. 4, 11)

F3332 Words in s. 417(1) omitted (31.12.2024) by virtue of The Insurance and Reinsurance Undertakings (Prudential Requirements) (Amendment and Miscellaneous Provisions) Regulations 2024 (S.I. 2024/1083), regs. 1(2)(b), **7(e)**

F3333 Words in s. 417(1) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 48(1)(r)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F3334 S. 417: definition of "the Tribunal" inserted (6.4.2010) by The Transfer of Tribunal Functions Order 2010 (S.I. 2010/22), arts. 1(2)(e), 5(1), **Sch. 2 para. 48**

F3335 Words in s. 417(1) substituted (31.12.2020) by The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), **30** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F3336 Words in s. 417(1) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 48(1)(s)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F3337 S. 417(1): definition of "the UK financial system" inserted (8.4.2010) by Financial Services Act 2010 (c. 28), ss. 24(1), 26(1)(l), **Sch. 2 para. 31**

F3338 Words in s. 417(1) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 48(1)(t)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F3339 S. 417(1A) omitted (31.12.2020 immediately before IP completion day) by virtue of The Securities Financing Transactions, Securitisation and Miscellaneous Amendments (EU Exit) Regulations 2020 (S.I. 2020/1385), regs. 1(4), **38(3)(b)**

F3340 Words in s. 417(3) inserted (1.7.2005) by The Prospectus Regulations 2005 (S.I. 2005/1433), reg. 2(1), **Sch. 1 para. 15**

F3341 S. 417(4) omitted (31.12.2020) by virtue of The Electronic Commerce and Solvency 2 (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/1361), regs. 1(2), **3(b)** (as amended by S.I. 2019/1390, regs. 1(2), 6); 2020 c. 1, Sch. 5 para. 1(1)

F3342 S. 417(5) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 69(4)(b)**, 86(3); S.I. 2023/779, reg. 4(uu)

Modifications etc. (not altering text)

C1575 S. 417 modified (22.2.2008) by The Northern Rock plc Transfer Order 2008 (S.I. 2008/432), **art. 17**

C1576 S. 417 modified (29.9.2008 at 8.00 a.m.) by The Bradford & Bingley plc Transfer of Securities and Property etc. Order 2008 (S.I. 2008/2546), **art. 13**

C1577 S. 417 excluded (1.3.2016) by The NRAM plc (formerly Northern Rock plc) Consequential and Supplementary Provisions Order 2016 (S.I. 2016/114), arts. 1(1), **7**

C1578 S. 417 applied (with modifications) (31.5.2021) by The Civil Liability Act 2018 (Financial Conduct Authority) (Whiplash) Regulations 2021 (S.I. 2021/594), regs. 1, **2(11)**

C1579 S. 417(1) modified (30.3.2009 at 8.00 a.m.) by The Amendments to Law (Resolution of Dunfermline Building Society) Order 2009 (S.I. 2009/814), **art. 7(2)-(4)**

Marginal Citations

M50 1992 c. 40.

M51 1992 c. 40.

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418 Carrying on regulated activities in the United Kingdom.

(1) **[**F3343In the cases**]** described in this section, a person who—

(a) is carrying on a regulated activity, but

(b) would not otherwise be regarded as carrying it on in the United Kingdom,

is, for the purposes of this Act, to be regarded as carrying it on in the United Kingdom.

F3344(2) . . . . . .

F3345(3) . . . . . .

(4) The third case is where—

(a) his registered office (or if he does not have a registered office his head office) is in the United Kingdom;

(b) the day-to-day management of the carrying on of the regulated activity is the responsibility of—

(i) his registered office (or head office); or

(ii) another establishment maintained by him in the United Kingdom.

(5) The fourth case is where—

(a) his head office is not in the United Kingdom; but

(b) the activity is carried on from an establishment maintained by him in the United Kingdom.

F3346(5A) . . . . . .

[F3347(5AA) The sixth case is where—

(a) the regulated activity being carried on by the person is the regulated activity of managing an AIF;

(b) the AIF being managed—

(i) has its registered office in **[**F3348the United Kingdom**]**; or

(ii) is marketed in **[**F3349the United Kingdom**]**;

(c) 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; and

(d) the activity is carried on from an establishment maintained in a country or territory outside **[**F3350the United Kingdom**]**.**]**

(6) **[**F3351For the purposes of the preceding subsections**]** it is irrelevant where the person with whom the activity is carried on is situated.

[F3352(6B) The ninth case is where—

(a) the regulated activity being carried on by the person ("A") is that specified by article 9M of the Regulated Activities Order (issuing qualifying stablecoin), and

(b) all of the activities specified in the conditions set out in paragraph (2)(a) to (c) of that article are carried on by A, or on behalf of A, in the United Kingdom.

(6C) The tenth case is where—

(a) the regulated activity being carried on by the person ("A") is a regulated cryptoasset activity,

(b) A is involved in the sale or subscription of a qualifying cryptoasset to, or by, a consumer ("C"), and

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(c) there is no person who—

(i) is authorised under Part 4A of this Act to carry on a regulated cryptoasset activity of a kind referred to in subsection (6D)(a) or (b),

(ii) is carrying on that activity in relation to the sale or subscription mentioned in paragraph (b), and

(iii) in doing so, is acting as an intermediary between A and C.

(6D) In subsection (6C), a "regulated cryptoasset activity" means a regulated activity specified by the following articles of the Regulated Activities Order—

(a) article 9S (operating a qualifying cryptoasset trading platform);

(b) article 9T (dealing in qualifying cryptoassets as principal);

(c) article 9W (dealing in qualifying cryptoassets as agent);

(d) article 9Y (arranging deals in qualifying cryptoassets).

(6E) The eleventh case is where—

(a) the regulated activity being carried on by the person ("A") is specified by—

(i) article 9N (safeguarding of qualifying cryptoassets and relevant specified investment cryptoassets) of the Regulated Activities Order, or

(ii) article 9Z6 (qualifying cryptoasset staking) of the Regulated Activities Order,

(b) A is carrying on that activity on behalf of a consumer, and

(c) A is not carrying on that activity at the direction of another person who is authorised under Part 4A of this Act to carry on that regulated activity.

(6F) In subsections (6B) to (6E)—

(a) "consumer" means an individual in the United Kingdom who is acting for a purpose other than for any trade, business or profession carried on by that individual;

(b) "Regulated Activities Order" means the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001;

(c) where a term that is used is also used in Chapter 2B (cryptoassets) of Part 2 (specified activities) of the Regulated Activities Order, then it has the same meaning as that given in that Chapter.**]**

F3353(7) . . . . . .

[F3354(8) For the purposes of this section, an AIF is "marketed" when—

(a) the person managing the AIF ("the AIFM") makes a direct or indirect offering or placement of units or shares of the AIF to or with an investor domiciled or with a registered office in the United Kingdom, or

(b) another person makes such an offering or placement at the initiative of, or on behalf of, the AIFM.**]**

Textual Amendments

F3343 Words in s. 418(1) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **86(2)**; 2020 c. 1, Sch. 5 para. 1(1)

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

F3344 S. 418(2) omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **86(3)**; 2020 c. 1, Sch. 5 para. 1(1)

F3345 S. 418(3) omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **86(3)**; 2020 c. 1, Sch. 5 para. 1(1)

F3346 S. 418(5A) omitted (31.12.2020) by virtue of The Electronic Commerce and Solvency 2 (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/1361), regs. 1(2), **4** (as amended by S.I. 2019/1390, regs. 1(2), 6); 2020 c. 1, Sch. 5 para. 1(1)

F3347 S. 418(5AA) inserted (16.6.2014) by The Alternative Investment Fund Managers Order 2014 (S.I. 2014/1292), arts. 1(2), **2(b)** (as amended by S.I. 2014/1313, arts. 1, 2(a))

F3348 Words in s. 418(5AA)(b)(i) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **86(4)(a)**; 2020 c. 1, Sch. 5 para. 1(1)

F3349 Words in s. 418(5AA)(b)(ii) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **86(4)(a)**; 2020 c. 1, Sch. 5 para. 1(1)

F3350 Words in s. 418(5AA)(d) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **86(4)(b)**; 2020 c. 1, Sch. 5 para. 1(1)

F3351 Words in s. 418(6) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **86(5)**; 2020 c. 1, Sch. 5 para. 1(1)

F3352 S. 418(6B)-(6F) inserted (25.2.2026 for specified purposes) by The Financial Services and Markets Act 2000 (Cryptoassets) Regulations 2026 (S.I. 2026/102), regs. 1(2)(3), **41(6)** (with regs. 53-56)

F3353 S. 418(7) omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **86(6)**; 2020 c. 1, Sch. 5 para. 1(1)

F3354 S. 418(8) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **86(7)**; 2020 c. 1, Sch. 5 para. 1(1)

419 Carrying on regulated activities by way of business.

(1) The Treasury may by order make provision—

(a) as to the circumstances in which a person who would otherwise not be regarded as carrying on a regulated activity by way of business is to be regarded as doing so;

(b) as to the circumstances in which a person who would otherwise be regarded as carrying on a regulated activity by way of business is to be regarded as not doing so.

(2) An order under subsection (1) may be made so as to apply—

(a) generally in relation to all regulated activities;

(b) in relation to a specified category of regulated activity; or

(c) in relation to a particular regulated activity.

(3) An order under subsection (1) may be made so as to apply—

(a) for the purposes of all provisions;

(b) for a specified group of provisions; or

(c) for a specified provision.

(4) "Provision" means a provision of, or made under, this Act.

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(5) Nothing in this section is to be read as affecting the provisions of section 428(3).

[F3355 419A Claims management services

(1) In this Act "claims management services" means advice or other services in relation to the making of a claim.

(2) In subsection (1) "other services" includes—

(a) financial services or assistance,

(b) legal representation,

(c) referring or introducing one person to another, and

(d) making inquiries,

but giving, or preparing to give, evidence (whether or not expert evidence) is not, by itself, a claims management service.

(3) In this section "claim" means a claim for compensation, restitution, repayment or any other remedy or relief in respect of loss or damage or in respect of an obligation, whether the claim is made or could be made—

(a) by way of legal proceedings,

(b) in accordance with a scheme of regulation (whether voluntary or compulsory), or

(c) in pursuance of a voluntary undertaking.

(4) The Treasury may by order provide that a claim for a specified benefit is to be treated as a claim for the purposes of this section.

(5) The Treasury may specify a benefit under subsection (4) only if it appears to the Treasury to be a social security benefit, payable under the law of any part of the United Kingdom, designed to provide compensation for industrial injury.

Textual Amendments

F3355 Ss. 419A, 419B inserted (E.W.S.) (6.10.2018) by Financial Guidance and Claims Act 2018 (c. 10), **ss. 27(11)**, 37(5); S.I. 2018/1045, reg. 2(a)

419B Carrying on claims management activity in Great Britain

(1) The Treasury may by order make provision as to the circumstances in which a person is, or is not, to be treated as carrying on—

(a) a regulated claims management activity, or

(b) an activity of a kind specified in an order under section 21(10B),

in Great Britain.

(2) Subsections (2) to (5) of section 419 apply in relation to an order under subsection (1) as they apply in relation to an order under subsection (1) of that section, but as if the references to regulated activities in subsection (2) of that section were references to regulated claims management activities or, as the case may be, to activities of a kind specified in an order under section 21(10B).**]**

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Textual Amendments

F3355 Ss. 419A, 419B inserted (E.W.S.) (6.10.2018) by Financial Guidance and Claims Act 2018 (c. 10), **ss. 27(11)**, 37(5); S.I. 2018/1045, reg. 2(a)

420 Parent and subsidiary undertaking.

(1) In this Act, except in relation to an incorporated friendly society, "parent undertaking" and "subsidiary undertaking" have the same meaning as in **[**[F3356]the Companies Acts (see section 1162 of, and Schedule 7 to, the Companies Act 2006)**]**.

(2) But—

(a) "parent undertaking" also includes an individual who would be a parent undertaking for the purposes of those provisions if he were taken to be an undertaking (and "subsidiary undertaking" is to be read accordingly);

(b) "subsidiary undertaking" also includes, in relation to a body incorporated in or formed under the law of an EEA State [F3357]..., an undertaking which is a subsidiary undertaking within the meaning of any rule of law in force in that State for purposes connected with implementation of the **[**[F3358]Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC**]** (and "parent undertaking" is to be read accordingly).

(3) In this Act "subsidiary undertaking", in relation to an incorporated friendly society, means a body corporate of which the society has control within the meaning of section 13(9)(a) or (aa) of the [M52]Friendly Societies Act 1992 (and "parent undertaking" is to be read accordingly).

Textual Amendments

F3356 Words in s. 420(1) substituted (6.4.2008) by The Companies Act 2006 (Consequential Amendments etc) Order 2008 (S.I. 2008/948), arts. 2(2), 3(1), **Sch. 1 para. 212(1)** (with arts. 6, 11, 12)

F3357 Words in s. 420(2)(b) omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **87(a)**; 2020 c. 1, Sch. 5 para. 1(1)

F3358 Words in s. 420(2)(b) substituted (23.3.2019) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(2)(c), **87(b)**

Marginal Citations

M52 1992 c. 40.

421 Group.

(1) In this Act "group", in relation to a person ("A"), means A and any person who is—

(a) a parent undertaking of A;

(b) a subsidiary undertaking of A;

(c) a subsidiary undertaking of a parent undertaking of A;

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(d) a parent undertaking of a subsidiary undertaking of A;

(e) an undertaking in which A or an undertaking mentioned in paragraph (a), (b), (c) or (d) has a participating interest;

(f) if A or an undertaking mentioned in paragraph (a) or (d) is a building society, an associated undertaking of the society; or

(g) if A or an undertaking mentioned in paragraph (a) or (d) is an incorporated friendly society, a body corporate of which the society has joint control (within the meaning of section 13(9)(c) or (cc) of the [M53]Friendly Societies Act 1992).

(2) "Participating interest" **[**[F3359]has the meaning given in section 421A**]**; but also includes an interest held by an individual which would be a participating interest for the purposes of those provisions if he were taken to be an undertaking.

(3) "Associated undertaking" has the meaning given in section 119(1) of the [M54]Building Societies Act 1986.

Textual Amendments

F3359 Words in s. 421(2) substituted (6.4.2008) by The Companies Act 2006 (Consequential Amendments etc) Order 2008 (S.I. 2008/948), arts. 2(2), 3(1), **Sch. 1 para. 212(2)** (with arts. 6, 11, 12)

Marginal Citations

M53 1992 c. 40.
M54 1986 c. 53.

[[F3360]421ZA Immediate group

In this Act "immediate group", in relation to a person ("A"), means—

(a) A;

(b) a parent undertaking of A;

(c) a subsidiary undertaking of A;

(d) a subsidiary undertaking of a parent undertaking of A;

(e) a parent undertaking of a subsidiary undertaking of A.**]**

Textual Amendments

F3360 S. 421ZA inserted (24.1.2013) by Financial Services Act 2012 (c. 21), **ss. 48(2)**, 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(a), Sch. Pt. 1

[[F3361]421A Meaning of "participating interest"

(1) In section 421 a "participating interest" means an interest held by an undertaking in the shares of another undertaking which it holds on a long-term basis for the purpose of securing a contribution to its activities by the exercise of control or influence arising from or related to that interest.

(2) A holding of 20% or more of the shares of an undertaking is presumed to be a participating interest unless the contrary is shown.

(3) The reference in subsection (1) to an interest in shares includes—

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(a) an interest which is convertible into an interest in shares, and

(b) an option to acquire shares or any such interest;

and an interest or option falls within paragraph (a) or (b) notwithstanding that the shares to which it relates are, until the conversion or the exercise of the option, unissued.

(4) For the purposes of this section an interest held on behalf of an undertaking shall be treated as held by it.

(5) In this section "undertaking" has the same meaning as in the Companies Acts (see section 1161(1) of the Companies Act 2006).**]**

Textual Amendments

F3361 S. 421A inserted (6.4.2008) by The Companies Act 2006 (Consequential Amendments etc) Order 2008 (S.I. 2008/948), arts. 2(2), 3(1), **Sch. 1 para. 212(3)** (with arts. 6, 11, 12)

[F3362 422 Controller.

(1) In this Act "controller", in relation to an undertaking ("B"), means a person ("A") who falls within any of the cases in subsection (2).

(2) The cases are where A holds—

(a) 10% or more of the shares in B or in a parent undertaking of B ("P");

(b) 10% or more of the voting power in B or P; or

(c) shares or voting power in B or P as a result of which A is able to exercise significant influence over the management of B.

(3) For the purposes of calculations relating to this section, the holding of shares or voting power by a person ("A1") includes any shares or voting power held by another ("A2") if A1 and A2 are acting in concert.

(4) In this section "shares"—

(a) in relation to an undertaking with a share capital, means allotted shares;

(b) in relation to an undertaking with capital but no share capital, means rights to share in the capital of the undertaking;

(c) in relation to an undertaking without capital, means interests—

(i) conferring any right to share in the profits, or liability to contribute to the losses, of the undertaking; or

(ii) giving rise to an obligation to contribute to the debts or expenses of the undertaking in the event of a winding up.

(5) In this section "voting power"—

(a) includes, in relation to a person ("H")—

(i) voting power held by a third party with whom H has concluded an agreement, which obliges H and the third party to adopt, by concerted exercise of the voting power they hold, a lasting common policy towards the management of the undertaking in question;

(ii) voting power held by a third party under an agreement concluded with H providing for the temporary transfer for consideration of the voting power in question;

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(iii) voting power attaching to shares which are lodged as collateral with H, provided that H controls the voting power and declares an intention to exercise it;

(iv) voting power attaching to shares in which H has a life interest;

(v) voting power which is held, or may be exercised within the meaning of subparagraphs (i) to (iv), by a **[**F3363controlled undertaking**]** of H;

(vi) voting power attaching to shares deposited with H which H has discretion to exercise in the absence of specific instructions from the shareholders;

(vii) voting power held in the name of a third party on behalf of H;

(viii) voting power which H may exercise as a proxy where H has discretion about the exercise of the voting power in the absence of specific instructions from the shareholders; and

(b) in relation to an undertaking which does not have general meetings at which matters are decided by the exercise of voting rights, means the right under the constitution of the undertaking to direct the overall policy of the undertaking or alter the terms of its constitution.

[F3364(6) For the purposes of this section, an undertaking "B" is a controlled undertaking of H if any of the conditions in section 89J(4)(a) to (d) (read with section 89J(5)) is met (reading references in those provisions to A as references to H).**]]**

Textual Amendments

F3362 Ss. 422, 422A substituted (21.3.2009) for s. 422 by virtue of The Financial Services and Markets Act 2000 (Controllers) Regulations 2009 (S.I. 2009/534), reg. 7, **Sch. 3** (with reg. 8)

F3363 Words in s. 422(5)(a)(v) substituted (1.1.2014) by The Capital Requirements Regulations 2013 (S.I. 2013/3115), reg. 1(2), **Sch. 2 para. 25(a)**

F3364 S. 422(6) inserted (1.1.2014) by The Capital Requirements Regulations 2013 (S.I. 2013/3115), reg. 1(2), **Sch. 2 para. 25(b)**

[F3365**422A Disregarded holdings**

(1) For the purposes of section 422, shares and voting power that a person holds in an undertaking ("B") or in a parent undertaking of B ("P") are disregarded in the following circumstances.

(2) Shares held only for the purposes of clearing and settling within a short settlement cycle are disregarded.

(3) Shares held by a custodian or its nominee in a custodian capacity are disregarded, provided that the custodian or nominee is only able to exercise voting power attached to the shares in accordance with instructions given in writing.

(4) Shares representing no more than 5% of the total voting power in B or P held by an investment firm are disregarded, provided that it—

(a) holds the shares in the capacity of a market maker (as defined in **[**F3366article 2.1.6 of the markets in financial instruments regulation**]**);

[F3367(b) has a Part 4A permission to carry on one or more investment services and activities;**]**

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(c) neither intervenes in the management of B or P nor exerts any influence on B or P to buy the shares or back the share price.

(5) Shares held by a **[**F3368qualifying credit institution**]** or investment firm in its trading book are disregarded, provided that—

(a) the shares represent no more than 5% of the total voting power in B or P; and

(b) F3369... the voting power is not used to intervene in the management of B or P.

(6) Shares held by a **[**F3370qualifying credit institution**]** or an investment firm are disregarded, provided that—

(a) the shares are held as a result of performing the investment services and activities of—

(i) underwriting shares; or

(ii) placing shares on a firm commitment basis F3371...; and

(b) the **[**F3372qualifying credit institution**]** or investment firm—

(i) does not exercise voting power represented by the shares or otherwise intervene in the management of the issuer; and

(ii) retains the holding for a period of less than one year.

(7) Where a management company (as defined in **[**F3373section 237(2)**]**) and its parent undertaking both hold shares or voting power, each may disregard holdings of the other, provided that each exercises its voting power independently of the other.

(8) But subsection (7) does not apply if the management company—

[F3374(a) manages holdings for its parent undertaking or a controlled undertaking of its parent undertaking;**]**

(b) has no discretion to exercise the voting power attached to such holdings; and

(c) may only exercise the voting power in relation to such holdings under direct or indirect instruction from—

(i) its parent undertaking; or

[F3375(ii) a controlled undertaking of the parent undertaking.**]**

(9) Where an investment firm and its parent undertaking both hold shares or voting power, the parent undertaking may disregard holdings managed by the investment firm on a client by client basis and the investment firm may disregard holdings of the parent undertaking, provided that the investment firm—

(a) has permission to provide portfolio management;

(b) exercises its voting power independently from the parent undertaking; and

(c) may only exercise the voting power under instructions given in writing, or has appropriate mechanisms in place for ensuring that individual portfolio management services are conducted independently of any other services.

[F3376(9A) Shares acquired for stabilisation purposes in accordance with **[**F3377the market abuse regulation and Commission Delegated Regulation (EU) No. 1052/2016 of 8 March 2016 supplementing Regulation (EU) No. 596/2014 of the European Parliament and the Council with regard to the regulatory technical standards for conditions applicable to buy-back programmes and stabilisation measures**]** are disregarded, provided that the voting power attached to those shares is not exercised or otherwise used to intervene in the management of B or P.**]**

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[F3378(10) For the purposes of this section "qualifying credit institution" includes a credit institution which is authorised under the law of Gibraltar relied on immediately before IP completion day to implement the capital requirements directive.**]**

[F3379(11) For the purposes of this section, an undertaking is a controlled undertaking of the parent undertaking if it is controlled by the parent undertaking; and for this purpose the question of whether one undertaking controls another is to be determined in accordance with section 89J(4) and (5).**]]**

Textual Amendments

F3365 Ss. 422, 422A substituted (21.3.2009) for s. 422 by virtue of The Financial Services and Markets Act 2000 (Controllers) Regulations 2009 (S.I. 2009/534), reg. 7, **Sch. 3** (with reg. 8)

F3366 Words in s. 422A(4)(a) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **88(a)(i)**; 2020 c. 1, Sch. 5 para. 1(1)

F3367 S. 422A(4)(b) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **88(a)(ii)**; 2020 c. 1, Sch. 5 para. 1(1)

F3368 Words in s. 422A(5) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **88(b)**; 2020 c. 1, Sch. 5 para. 1(1)

F3369 Words in s. 422A(5)(b) omitted (1.11.2015 for specified purposes, 31.5.2016 in so far as not already in force) by virtue of The Transparency Regulations 2015 (S.I. 2015/1755), regs. 1(2)(4), **6(3)(a)**

F3370 Words in s. 422A(6) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **88(c)(i)**; 2020 c. 1, Sch. 5 para. 1(1)

F3371 Words in s. 422A(6)(a)(ii) omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **88(c)(ii)**; 2020 c. 1, Sch. 5 para. 1(1)

F3372 Words in s. 422A(6)(b) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **88(c)(i)**; 2020 c. 1, Sch. 5 para. 1(1)

F3373 Words in s. 422A(7) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **88(d)**; 2020 c. 1, Sch. 5 para. 1(1)

F3374 S. 422A(8)(a) substituted (1.1.2014) by The Capital Requirements Regulations 2013 (S.I. 2013/3115), reg. 1(2), **Sch. 2 para. 26(a)**

F3375 S. 422A(8)(c)(ii) substituted (1.1.2014) by The Capital Requirements Regulations 2013 (S.I. 2013/3115), reg. 1(2), **Sch. 2 para. 26(b)**

F3376 S. 422A(9A) inserted (1.11.2015 for specified purposes, 31.5.2016 in so far as not already in force) by The Transparency Regulations 2015 (S.I. 2015/1755), regs. 1(2)(4), **6(3)(b)**

F3377 Words in s. 422A(9A) substituted (23.3.2019) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(2)(d), **88(e)**

F3378 S. 422A(10) substituted (31.12.2020) by S.I. 2019/632, **reg. 88(f)** (as substituted by S.I. 2019/680, regs. 1(3), **9(5)** (as amended by S.I. 2020/1301, regs. 1, 3, **Sch. para. 40(d)(ii)**)); 2020 c. 1, **Sch. 5 para. 1(1)**)

F3379 S. 422A(11) inserted (1.1.2014) by The Capital Requirements Regulations 2013 (S.I. 2013/3115), reg. 1(2), **Sch. 2 para. 26(d)**

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423 Manager.

(1) In this Act, except in relation to a unit trust scheme or a registered friendly society, "manager" means an employee who—

(a) under the immediate authority of his employer is responsible, either alone or jointly with one or more other persons, for the conduct of his employer's business; or

(b) under the immediate authority of his employer or of a person who is a manager by virtue of paragraph (a) exercises managerial functions or is responsible for maintaining accounts or other records of his employer.

(2) If the employer is not an individual, references in subsection (1) to the authority of the employer are references to the authority—

(a) in the case of a body corporate, of the directors;

(b) in the case of a partnership, of the partners; and

(c) in the case of an unincorporated association, of its officers or the members of its governing body.

(3) "Manager", in relation to a body corporate, means a person (other than an employee of the body) who is appointed by the body to manage any part of its business and includes an employee of the body corporate (other than the chief executive) who, under the immediate authority of a director or chief executive of the body corporate, exercises managerial functions or is responsible for maintaining accounts or other records of the body corporate.

[F3380 423A Mortgage agreements etc

(1) In this Act—

"mortgage agreement" means an agreement to which subsection (2) applies, but to which subsection (3) does not apply, under which a mortgage creditor grants or promises to grant, to a consumer, a credit in the form of a deferred payment, loan or other similar financial accommodation;

"mortgage creditor" means a person who grants or promises to grant—

(a) in the course of the person's trade, business or profession, and

(b) under an agreement to which subsection (2) applies but to which subsection (3) does not apply,

credit in the form of a deferred payment, loan or other similar financial accommodation;

"mortgage intermediary" means a person who, in the course of the person's trade, business or profession, and acting neither as a mortgage creditor or notary nor in an introductory capacity, does any of the following for any agreed form of financial consideration—

(a) presenting or offering mortgage agreements to consumers;

(b) assisting consumers by undertaking preparatory work or other pre-contractual administration in respect of mortgage agreements (otherwise than as referred to in paragraph (a));

(c) concluding mortgage agreements with consumers on behalf of mortgage creditors;

"tied mortgage intermediary" means a mortgage intermediary who acts on behalf of and under the full and unconditional responsibility of—

Status: *This version of this Act contains provisions that are prospective.*
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(a) only one mortgage creditor,

(b) only one group of mortgage creditors, or

(c) a number of mortgage creditors or groups of mortgage creditors which does not represent the majority of the market.

(2) This subsection applies to the following agreements—

(a) an agreement secured by a mortgage on, or (in Scotland) a heritable security over, residential immovable property, or by any other charge or right over or related to such property;

(b) an agreement the purpose of which is to acquire or retain property rights in land or in an existing or projected building.

(3) This subsection applies to the following agreements—

(a) an agreement under which the creditor—

(i) contributes a lump sum, periodic payments or other forms of credit disbursement in return for a sum deriving from the future sale of a residential immovable property or a right relating to residential immovable property, and

(ii) will not seek repayment of the credit until the occurrence of one or more specified life events of the consumer, unless the consumer breaches contractual obligations so as to allow the creditor to terminate the agreement;

(b) an agreement under which credit is granted by an employer to its employees as a secondary activity where the agreement is offered free of interest or at an annual rate lower than that prevailing on the market and not offered to the public generally;

(c) an agreement under which credit is granted free of interest and without any other charges except those that recover costs directly related to the securing of the credit;

(d) an agreement in the form of an overdraft facility under which the credit has to be repaid within one month;

(e) an agreement which is the outcome of a settlement reached in or before a court or other statutory authority;

(f) an agreement which—

(i) relates to the deferred payment, free of charge, of an existing debt, and

(ii) is not secured by a mortgage, by another comparable security commonly used in the United Kingdom on residential immovable property or by a right related to residential immovable property.

(4) In this section—

"acting in an introductory capacity" means merely introducing (directly or indirectly) a consumer to a mortgage creditor or mortgage intermediary;

"annual rate" means the total cost to the borrower expressed as an annual percentage of the total amount of credit;

"consumer" means an individual who is acting for purposes outside those of any trade, business or profession carried on by the individual;

"group of mortgage creditors" means a group of mortgage creditors that are to be consolidated for the purposes of drawing up consolidated accounts in accordance with—

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(a) the requirements of Part 15 of the Companies Act 2006, if the parent undertaking (within the meaning of that Act) is a company, or

(b) if it is not, the legal requirements that apply to the drawing up of consolidated accounts for the parent undertaking;

"specified" means specified in rules made by the FCA.

(5) A reference in this section to any immovable property, land or building—

(a) in relation to an agreement entered into before IP completion day, is a reference to any immovable property, land or building in the United Kingdom or within the territory of an EEA State;

(b) in relation to an agreement entered into on or after IP completion day, is a reference to any immovable property, land or building in the United Kingdom.**]**

Textual Amendments

F3380 S. 423A inserted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **89** (as amended by S.I. 2020/1301, regs. 1, 3, **Sch. para. 33(i)**); 2020 c. 1, **Sch. 5 para. 1(1)**

424 Insurance.

(1) In this Act, references to—

(a) contracts of insurance,

(b) reinsurance,

(c) contracts of long-term insurance,

(d) contracts of general insurance,

are to be read with section 22 and Schedule 2.

(2) In this Act "policy" and "policyholder", in relation to a contract of insurance, have such meaning as the Treasury may by order specify.

(3) The law applicable to a contract of insurance, the effecting of which constitutes the carrying on of a regulated activity, is to be determined, if it is of a prescribed description, in accordance with regulations made by the Treasury.

Commencement Information

I84 S. 424 wholly in force at 1.12.2001; s. 424 not in force at Royal Assent see s. 431(2); s. 424(1)(2) in force and s. 424(3) in force for certain purposes at 25.2.2001 by S.I. 2001/516, art. 2(a)(b), Sch. Pts. 1, **2**; s. 424 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**

[F3381**424A Investment firm**

(1) In this Act **[**F3382(except as otherwise provided)**]**, "investment firm" has the meaning given in **[**F3383paragraph 2.1A of the markets in financial instruments regulation**]**.

(2) Subsection (1) is subject to **[**F3384subsection (5)**]**.

F3385(3) . . . . . .

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F3385(4) . . . . . .

(5) References in this Act to an "investment firm" do not include references to—

[F3386(a) a person excluded from the definition of "investment firm" in Article 3(1) of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (S.I. 2001/544) by paragraph (a) or (b) of that definition; or**]**

[F3386(b) a firm which has a Part 4A permission to carry on regulated activities as an exempt investment firm within the meaning of regulation 8 of the Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701).**]]**

Textual Amendments

F3381 S. 424A inserted (6.12.2006) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) (Modification of Powers) Regulations 2006 (S.I. 2006/2975), **reg. 10**

F3382 Words in s. 424A(1) inserted (1.7.2021) by Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 2 para. 16** (with Sch. 2 Pt. 3); S.I. 2021/671, reg. 4(b)

F3383 Words in s. 424A(1) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **90(2)**; 2020 c. 1, Sch. 5 para. 1(1)

F3384 Words in s. 424A(2) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **90(3)**; 2020 c. 1, Sch. 5 para. 1(1)

F3385 S. 424A(3)(4) omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **90(4)**; 2020 c. 1, Sch. 5 para. 1(1)

F3386 S. 424A(5)(a)(b) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **90(5)**; 2020 c. 1, Sch. 5 para. 1(1)

425 Expressions relating to authorisation F3387... in the single market.

(1) In this Act—

[F3388(a) **[**F3389"alternative investment fund managers directive",**]** "**[**F3390capital requirements directive**]**", F3391... F3392... F3392... "EEA firm", "EEA right", "EEA State", **[**F3393"emission allowance auctioning regulation",**]**F3394..., F3391... F3391... F3391... "**[**F3395insurance distribution directive**]**", F3396... **[**F3397"markets in financial instruments directive",**][**F3398"mortgages directive",**]** "single market directives" F3399... **[**F3400, "tied agent"**]** and "UCITS directive" have the meaning given in Schedule 3; F3401...**]**

F3402(aa) . . . . . and

(b) "home state regulator", in relation to an EEA firm, has the meaning given in Schedule 3.

F3403(2) . . . . . .

Textual Amendments

F3387 Word in s. 425 heading omitted (31.12.2020) by virtue of The EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018 (S.I. 2018/1149), reg. 1(3), **Sch. para. 20(3)** (with reg. 4); 2020 c. 1, Sch. 5 para. 1(1)

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F3388 S. 425(1)(a) substituted (13.2.2004) by The Collective Investment Schemes (Miscellaneous Amendments) Regulations 2003 (S.I. 2003/2066), **reg. 2(1)**

F3389 Words in s. 425(1)(a) inserted (22.7.2013) by The Alternative Investment Fund Managers Regulations 2013 (S.I. 2013/1773), reg. 1, **Sch. 1 para. 32(a)**

F3390 Words in s. 425(1)(a) substituted (1.1.2014) by The Capital Requirements Regulations 2013 (S.I. 2013/3115), reg. 1(2), **Sch. 2 para. 27**

F3391 Words in s. 425(1)(a) omitted (1.1.2016) by virtue of The Solvency 2 Regulations 2015 (S.I. 2015/575), reg. 1(2), **Sch. 1 para. 16(a)**

F3392 Words in s. 425(1)(a) omitted (31.12.2020) by virtue of The Financial Services (Miscellaneous) (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/710), regs. 1(3), **3(2)** (with regs. 36, 37, Sch.); 2020 c. 1, Sch. 5 para. 1(1)

F3393 Words in s. 425(1)(a) inserted (20.7.2012) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2012 (S.I. 2012/1906), arts. 1, **3(16)**

F3394 Words in s. 425(1)(a) omitted (11.1.2005) by virtue of The Life Assurance Consolidation Directive (Consequential Amendments) Regulations 2004 (S.I. 2004/3379), **reg. 6(5)(b)**

F3395 Words in s. 425(1)(a) substituted (1.10.2018) by The Insurance Distribution (Regulated Activities and Miscellaneous Amendments) Order 2018 (S.I. 2018/546), arts. 1(2), **18(3)**

F3396 Words in s. 425(1)(a) omitted (1.4.2007 for certain purposes and 1.11.2007 otherwise) by virtue of The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2007 (S.I. 2007/126), regs. 1(2), 3(5), **Sch. 5 para. 22(a)**

F3397 Words in s. 425(1)(a) inserted (6.12.2006) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) (Modification of Powers) Regulations 2006 (S.I. 2006/2975), **reg. 11**

F3398 Words in s. 425(1)(a) inserted (20.4.2015 for specified purposes, 21.12.2015 for specified purposes, 21.3.2016 in so far as not already in force) by The Mortgage Credit Directive Order 2015 (S.I. 2015/910), art. 1(5), **Sch. 1 para. 1(9)** (with Pt. 4)

F3399 Words in s. 425(1)(a) omitted (31.12.2024) by virtue of The Insurance and Reinsurance Undertakings (Prudential Requirements) (Amendment and Miscellaneous Provisions) Regulations 2024 (S.I. 2024/1083), regs. 1(2)(b), **8**

F3400 Words in s. 425(1)(a) inserted (1.4.2007 for certain purposes and 1.11.2007 otherwise) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2007 (S.I. 2007/126), regs. 1(2), 3(5), **Sch. 5 para. 22(b)**

F3401 Word in s. 425(1)(a) omitted (28.6.2018 for specified purposes, 21.7.2018 in so far as not already in force) by virtue of The Money Market Funds Regulations 2018 (S.I. 2018/698), regs. 1(2), **2(18)(a)**

F3402 S. 425(1)(aa) omitted (31.12.2020) by virtue of The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), **31** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F3403 S. 425(2) omitted (31.12.2020) by virtue of The EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018 (S.I. 2018/1149), reg. 1(3), **Sch. para. 20(2)** (with reg. 4); 2020 c. 1, Sch. 5 para. 1(1)

[F3404 425A Consumers: regulated activities etc carried on by authorised persons

(1) This section has effect for the purposes of the provisions of this Act which apply this section.

(2) "Consumers" means persons [F3405 who]—

(a) [F3406 who] use, have used or may use any of the services within subsection (3); F3407 ...

(b) [F3406 who] have relevant rights or interests in relation to any of those services [F3408; [F3409 or]

(c) whose rights, interests or obligations are affected by the level of a regulated benchmark][F3410; or

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(d) in respect of whom a person carries on an activity which is specified in article 89G of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (seeking out etc claims) whether that activity, as carried on by that person, is a regulated activity or is, by reason of an exclusion provided for under the 2001 Order or the 2000 Act, not a regulated activity.**]**

(3) The services within this subsection are services provided by—

(a) authorised persons in carrying on regulated activities;

(b) authorised persons who are investment firms, or **[**F3411qualifying credit institutions**]**, in providing relevant ancillary services; or

(c) persons acting as appointed representatives.

(4) A person ("P") has a "relevant right or interest" in relation to any services within subsection (3) if P has a right or interest—

(a) which is derived from, or is otherwise attributable to, the use of the services by others; or

(b) which may be adversely affected by the use of the services by persons acting on P's behalf or in a fiduciary capacity in relation to P.

(5) If a person is providing a service within subsection (3) as a trustee, the persons who are, have been or may be beneficiaries of the trust are to be treated as persons who use, have used or may use the service.

(6) A person who deals with another person ("A") in the course of A providing a service within subsection (3) is to be treated as using the service.

(7) In this section—

F3412...

[F3413"regulated benchmark" means a benchmark, as defined in section 22 F3414... **[**F3415(6A)**]**, in relation to which any provision made under section 22(1A) F3416... **[**F3417(c)**]** has effect.**]**

"relevant ancillary service" means any service of a kind mentioned in **[**F3418Part 3A of Schedule 2 to the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (S.I. 2001/544)**]** the provision of which does not involve the carrying on of a regulated activity.

Textual Amendments

F3404 Ss. 425A, 425B inserted (8.4.2010) by Financial Services Act 2010 (c. 28), ss. 24(1), 26(1)(l), **Sch. 2 para. 32**

F3405 Word in s. 425A(2) omitted (E.W.S.) (29.11.2018 for specified purposes, 1.4.2019 in so far as not already in force) by virtue of The Financial Services and Markets Act 2000 (Claims Management Activity) Order 2018 (S.I. 2018/1253), arts. 1(2)(3), **91(7)(a)**

F3406 Word in s. 425A(2)(a)(b) inserted (E.W.S.) (29.11.2018 for specified purposes, 1.4.2019 in so far as not already in force) by The Financial Services and Markets Act 2000 (Claims Management Activity) Order 2018 (S.I. 2018/1253), arts. 1(2)(3), **91(7)(b)**

F3407 Word in s. 425A(2)(a) omitted (2.4.2013) by virtue of The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2013 (S.I. 2013/655), arts. 1, **3(4)(a)**

F3408 S. 425A(2)(c) and word inserted (2.4.2013) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2013 (S.I. 2013/655), arts. 1, **3(4)(b)**

F3409 Word in s. 425A(2)(b) omitted (E.W.S.) (29.11.2018 for specified purposes, 1.4.2019 in so far as not already in force) by virtue of The Financial Services and Markets Act 2000 (Claims Management Activity) Order 2018 (S.I. 2018/1253), arts. 1(2)(3), **91(7)(c)**

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F3410 S. 425A(2)(d) and word inserted (E.W.S.) (29.11.2018 for specified purposes, 1.4.2019 in so far as not already in force) by The Financial Services and Markets Act 2000 (Claims Management Activity) Order 2018 (S.I. 2018/1253), arts. 1(2)(3), **91(7)(d)**

F3411 Words in s. 425A(3)(b) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **91(2)**; 2020 c. 1, Sch. 5 para. 1(1)

F3412 Words in s. 425A(7) omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **91(3)(a)**; 2020 c. 1, Sch. 5 para. 1(1)

F3413 Words in s. 425A(7) inserted (2.4.2013) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2013 (S.I. 2013/655), arts. 1, **3(4)(c)**

F3414 Words in s. 425A(7) omitted (1.5.2020) by virtue of The Financial Services and Markets Act 2000 (Benchmarks) Regulations 2018 (S.I. 2018/135), regs. 1(2)(b), **49(2)(c)**

F3415 Words in s. 425A(7) inserted (27.2.2018) by The Financial Services and Markets Act 2000 (Benchmarks) Regulations 2018 (S.I. 2018/135), regs. 1(2), **49(2)(a)**

F3416 Words in s. 425A(7) omitted (1.5.2020) by virtue of The Financial Services and Markets Act 2000 (Benchmarks) Regulations 2018 (S.I. 2018/135), regs. 1(2)(b), **49(2)(d)**

F3417 Words in s. 425A(7) inserted (27.2.2018) by The Financial Services and Markets Act 2000 (Benchmarks) Regulations 2018 (S.I. 2018/135), regs. 1(2), **49(2)(b)**

F3418 Words in s. 425A(7) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **91(3)(b)**; 2020 c. 1, Sch. 5 para. 1(1)

Modifications etc. (not altering text)

C1580 S. 425A modified by S.I. 2001/544, art. 60LA(1)(3) (as inserted (14.2.2014 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2014 (S.I. 2014/366), arts. 1(3)(4), **2(33)**)

C1581 S. 425A modified by S.I. 2001/544, art. 60S(1)(3) (as inserted (14.2.2014 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2014 (S.I. 2014/366), arts. 1(3)(4), **2(37)**)

C1582 S. 425A modified (E.W.S.) (29.11.2018 for specified purposes, 1.4.2019 in so far as not already in force) by The Financial Services and Markets Act 2000 (Claims Management Activity) Order 2018 (S.I. 2018/1253), arts. 1(2)(3), **89**

C1583 S. 425A applied (with modifications) (31.12.2020) by The Credit Rating Agencies (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/266), regs. 1(3), **20** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

425B Consumers: regulated activities carried on by others

(1) This section has effect for the purposes of the provisions of this Act which apply this section.

(2) " Consumers " means persons who, in relation to regulated activities carried on otherwise than by authorised persons, would be consumers as defined by section 425A if the activities were carried on by authorised persons.**]**

Textual Amendments

F3404 Ss. 425A, 425B inserted (8.4.2010) by Financial Services Act 2010 (c. 28), ss. 24(1), 26(1)(l), **Sch. 2 para. 32**

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Modifications etc. (not altering text)

C1584 S. 425B applied (31.3.2012) by The Financial Services and Markets Act 2000 (Permissions, Transitional Provisions and Consequential Amendments) (Northern Ireland Credit Unions) Order 2011 (S.I. 2011/2832), arts. 2(c), **11**

[F3419 425C "Qualifying provision"

[F3420 (1)] In this Act "qualifying provision" means a provision of any of the following—

(a) [F3421 assimilated direct] legislation;

(b) technical standards made in accordance with Chapter 2A of Part 9A;

[F3422 (ba) other subordinate legislation made under [F3423 assimilated direct] legislation;]

(c) subordinate legislation F3424 ... made by virtue of regulations made under section 8 of the European Union (Withdrawal) Act 2018.

[F3425 (2) In this section, "subordinate legislation" has the same meaning as in the Interpretation Act 1978 (see section 21 of that Act).]]

Textual Amendments

F3419 S. 425C substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **92**; 2020 c. 1, Sch. 5 para. 1(1)

F3420 S. 425C renumbered as s. 425C(1) (1.7.2021) by Financial Services Act 2021 (c. 22), **ss. 43(2)(a)**, 49(5); S.I. 2021/739, reg. 3(w)

F3421 Words in s. 425C(1)(a) substituted (1.1.2024) by The Retained EU Law (Revocation and Reform) Act 2023 (Consequential Amendment) Regulations 2023 (S.I. 2023/1424), reg. 1(2), **Sch. para. 44(4)(v)**

F3422 S. 425C(1)(ba) inserted (1.7.2021) by Financial Services Act 2021 (c. 22), **ss. 43(2)(b)**, 49(5); S.I. 2021/739, reg. 3(w)

F3423 Words in s. 425C(1)(ba) substituted (1.1.2024) by The Retained EU Law (Revocation and Reform) Act 2023 (Consequential Amendment) Regulations 2023 (S.I. 2023/1424), reg. 1(2), **Sch. para. 44(4)(v)**

F3424 Words in s. 425C(1)(c) omitted (1.7.2021) by virtue of Financial Services Act 2021 (c. 22), **ss. 43(2)(c)**, 49(5); S.I. 2021/739, reg. 3(w)

F3425 S. 425C(2) inserted (1.7.2021) by Financial Services Act 2021 (c. 22), **ss. 43(2)(d)**, 49(5); S.I. 2021/739, reg. 3(w)

PART XXX

SUPPLEMENTAL

426 Consequential and supplementary provision.

(1) A Minister of the Crown may by order make such incidental, consequential, transitional or supplemental provision as he considers necessary or expedient for the general purposes, or any particular purpose, of this Act or in consequence of any provision made by or under this Act or for giving full effect to this Act or any such provision.

(2) An order under subsection (1) may, in particular, make provision—

(a) for enabling any person by whom any powers will become exercisable, on a date set by or under this Act, by virtue of any provision made by or under this

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Act to take before that date any steps which are necessary as a preliminary to the exercise of those powers;

(b) for applying (with or without modifications) or amending, repealing or revoking any provision of or made under an Act passed before this Act or in the same Session;

(c) dissolving any body corporate established by any Act passed, or instrument made, before the passing of this Act;

(d) for making savings, or additional savings, from the effect of any repeal or revocation made by or under this Act.

(3) Amendments made under this section are additional, and without prejudice, to those made by or under any other provision of this Act.

(4) No other provision of this Act restricts the powers conferred by this section.

Modifications etc. (not altering text)
C1585S. 426 modified (1.10.2001) by 2001 c. 16, s. 70, **Sch. 2 Pt. 2 para. 26**; S.I. 2001/3150, **art. 2(d)**

427 Transitional provisions.

(1) Subsections (2) and (3) apply to an order under section 426 which makes transitional provisions or savings.

(2) The order may, in particular—

(a) if it makes provision about the authorisation and permission of persons who before commencement were entitled to carry on any activities, also include provision for such persons not to be treated as having any authorisation or permission (whether on an application to **[**F3426a regulator**]** or otherwise);

(b) make provision enabling **[**F3426a regulator**]** to require persons of such descriptions as it may direct to re-apply for permissions having effect by virtue of the order;

(c) make provision for the continuation as rules of such provisions (including primary and subordinate legislation) as may be designated in accordance with the order by **[**F3426a regulator**]**, including provision for the modification by **[**F3426a regulator**]** of provisions designated;

(d) make provision about the effect of requirements imposed, liabilities incurred and any other things done before commencement, including provision for and about investigations, penalties and the taking or continuing of any other action in respect of contraventions;

(e) make provision for the continuation of disciplinary and other proceedings begun before commencement, including provision about the decisions available to bodies before which such proceedings take place and the effect of their decisions;

(f) make provision as regards **[**F3427the FCA's**]** obligation to maintain a record under section 347 as respects persons in relation to whom provision is made by the order.

(3) The order may—

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(a) confer functions on the Treasury, the Secretary of State, **[**F3428a regulator**]**, the scheme manager, the scheme operator, members of the panel established under paragraph 4 of Schedule 17 **[**F3429or the Competition and Markets Authority**]**;

(b) confer jurisdiction on the Tribunal;

(c) provide for fees to be charged in connection with the carrying out of functions conferred under the order;

(d) modify, exclude or apply (with or without modifications) any primary or subordinate legislation (including any provision of, or made under, this Act).

(4) In subsection (2) "commencement" means the commencement of such provisions of this Act as may be specified by the order.

Textual Amendments

F3426 Words in s. 427(2)(a)-(c) substituted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 68(2)(a)**, 86(3); S.I. 2023/779, reg. 4(tt)

F3427 Words in s. 427(2)(f) substituted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 68(2)(b)**, 86(3); S.I. 2023/779, reg. 4(tt)

F3428 Words in s. 427(3)(a) substituted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 68(2)(c)**, 86(3); S.I. 2023/779, reg. 4(tt)

F3429 Words in s. 427(3)(a) substituted (1.4.2014) by The Enterprise and Regulatory Reform Act 2013 (Competition) (Consequential, Transitional and Saving Provisions) Order 2014 (S.I. 2014/892), art. 1(1), **Sch. 1 para. 132** (with art. 3)

428 Regulations and orders.

(1) Any power to make an order which is conferred on a Minister of the Crown by this Act and any power to make regulations which is conferred by this Act is exercisable by statutory instrument.

(2) The Lord Chancellor's power to make rules under section 132 is exercisable by statutory instrument.

(3) Any statutory instrument made under this Act may—

[F3430(za) make provision by reference to any rules or other instruments as they have effect from time to time;**]**

(a) contain such incidental, supplemental, consequential and transitional provision as the person making it considers appropriate; and

(b) make different provision for different cases.

[F3431(4) In subsection (3)(za) "rules" includes rules made by the Bank of England under this Act.**]**

Textual Amendments

F3430 S. 428(3)(za) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 66(3)(a)**, 86(3); S.I. 2023/779, reg. 4(rr)

F3431 S. 428(4) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 66(3)(b)**, 86(3); S.I. 2023/779, reg. 4(rr)

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429 Parliamentary control of statutory instruments.

(1) No order is to be made under—

(a) section **[**F3432 1J, 3B(4), 3F(6), 55C,**]**F3433 ... **[**F3434 138K(6)(c), 144(4), 192(b) or (e)**][**F3435, 192B(6), 204A(7), 213(1A),**]** 236(5), **[**F3436 285(4), 380(12), 382(15), 384(13),**][**F3437 404G**]**F3438 . . . **[**F3439 or 419**][**F3439, 419 or 419B**]**, or

F3440 (b) . . . . . .

unless a draft of the order has been laid before Parliament and approved by a resolution of each House.

(2) No regulations are to be made under section **[**F3441 3RE,**][**F3442 90B **[**F3443 131O(7),**][**F3444, 137AA(3), 137GA(2)**][**F3445 138BA,**][**F3446 138EA(3),**][**F3447 141B,**][**F3448 142W,**][**F3449 143C(2), 143D(2), 143G(1),**][**F3450 144C(1), F3451 ...**][**F3452, 214A, 214B**][**F3453, 214D**]][**F3454, 262, **[**F3455 271S,**][**F3456 282C,**][**F3457 284A,**][**F3458 300M,**]**F3459 ... **[**F3460 309Z8**][**F3461, 333T or 417(5)**][**F3462 or paragraph 5, 6, 58(3)(a), 59(3)(a) or 60(8) of Schedule 2A**]** unless a draft of the regulations has been laid before Parliament and approved by a resolution of each House.

[F3463 (2A) Regulations to which subsection (2B) applies are not to be made unless a draft of the regulations has been laid before Parliament and approved by a resolution of each House.

(2B) This subsection applies to regulations which **[**F3464 contain—

[F3465 (aa) provision made under section 71Q which amends or repeals a provision of this Act;

(ab) provision made under section 71R which amends, repeals or revokes a provision of this Act or another Act of Parliament, an Act of the Scottish Parliament, an Act or Measure of Senedd Cymru, or Northern Ireland legislation;**]**

(a) provision made under section 59AB(2) which modifies, excludes or applies with modifications any provision of primary legislation;**]**

[F3466 (b) provision made under section 137FBA(3);**]**

[F3467 (ba) provision made under section 143B(2) which amends this Act;**]**

[F3468 (bb) provision made under section 309H(2) which modifies, excludes or applies with modifications any provision of primary legislation;**]**

[F3469 (c)**]** provision made under section 410A, other than provision made only by virtue of subsection (2) of that section**]**;

[F3470 (d) provision made under paragraph 15(3) of Schedule 17**]**;

[F3471 (d) provision made under paragraph 3(4) or 9(3) of Schedule 19B;**]**

[F3472 (e) provision made under paragraph 12 of Schedule 19C.**]**

(3) An order to which, if it is made, subsection (4) or (5) will apply is not to be made unless a draft of the order has been laid before Parliament and approved by a resolution of each House.

(4) This subsection applies to an order under section 21 if—

(a) it is the first order to be made, or to contain provisions made, under section 21(4);

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(b) it varies an order made under section 21(4) so as to make section 21(1) apply in circumstances in which it did not previously apply;

(c) it is the first order to be made, or to contain provision made, under section 21(5);

(d) it varies a previous order made under section 21(5) so as to make section 21(1) apply in circumstances in which it did not, as a result of that previous order, apply;

(e) it is the first order to be made, or to contain provisions made, under section 21(9) **[**F3473or (10)**][**F3473, (10) or (10B)**]**;

(f) it adds one or more activities to those that are controlled activities for the purposes of section 21; **[**F3474or**]**

(g) it adds one or more investments to those which are controlled investments for the purposes of section 21 **[**F3475; or

(h) it adds one or more activities to those that are controlled claims management activities for the purposes of section 21.**]**

(5) This subsection applies to an order under section 38 if—

(a) it is the first order to be made, or to contain provisions made, under that section; or

(b) it contains provisions restricting or removing an exemption provided by an earlier order made under that section.

(6) An order containing a provision to which, if the order is made, subsection (7) will apply is not to be made unless a draft of the order has been laid before Parliament and approved by a resolution of each House.

(7) This subsection applies to a provision contained in an order if—

(a) it is the first to be made in the exercise of the power conferred by subsection (1) of section 326 or it removes a body from those for the time being designated under that subsection; or

(b) it is the first to be made in the exercise of the power conferred by subsection (6) of section 327 or it adds a description of regulated activity or investment to those for the time being specified for the purposes of that subsection.

[F3476(7A) An order to which, if it is made, subsection (7B) will apply is not to be made unless a draft of the order has been laid before Parliament and approved by a resolution of each House.

(7B) This subsection applies to an order under section 419A(4) if—

(a) it is the first order to be made, or to contain provisions made, under that subsection; or

(b) it adds one or more benefits to those that are specified benefits for the purposes of section 419A.**]**

(8) Any other statutory instrument made under this Act, apart from one made under section **[**F3477 3G(1), **[**F3478, 312L**]** 137D(1)(b),**][**F3479 165A(2)(d) **[**F3480, 192A(4)**]** or**]** 431(2) or to which **[**F3481 section 22B **[**F3482, 23A **[**F3483, 71S**]** or 142Z**]** or**]** paragraph 26 of Schedule 2 applies, shall be subject to annulment in pursuance of a resolution of either House of Parliament.

[F3484(9) Any provision that may be made in a statutory instrument under this Act subject to annulment in pursuance of a resolution of either House of Parliament may be made in

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a statutory instrument **[**[F3485]which is subject to a procedure before Parliament for the approval of the instrument in draft before it is made or its approval after it is made.**]]**

Textual Amendments

F3432 Words in s. 429(1)(a) inserted (24.1.2013) by Financial Services Act 2012 (c. 21), **ss. 49(2)(a)(i)**, 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(a), Sch. Pt. 1

F3433 Word in s. 429(1)(a) omitted (13.9.2018 for specified purposes, 10.12.2018 for specified purposes, 18.7.2019 for specified purposes, 9.8.2019 for specified purposes, 9.12.2019 for specified purposes, 7.12.2020 in so far as not already in force) by virtue of Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 4 para. 21**; S.I. 2018/990, reg. 2(1)(2)(3) (with regs. 3-6); S.I. 2019/1136, reg. 2(2)(3)(4)(5) (with reg. 3)

F3434 Words in s. 429(1)(a) substituted (1.3.2014) by Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 136(2)(b)**, 148(5); S.I. 2014/377, art. 2(1)(a), Sch. Pt. 1

F3435 Words in s. 429(1)(a) inserted (24.1.2013) by Financial Services Act 2012 (c. 21), **ss. 49(2)(a)(ii)**, 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(a), Sch. Pt. 1

F3436 Words in s. 429(1)(a) inserted (24.1.2013) by Financial Services Act 2012 (c. 21), **ss. 49(2)(a)(iii)**, 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(a), Sch. Pt. 1

F3437 Word in s. 429(1)(a) inserted (12.10.2010) by Financial Services Act 2010 (c. 28), ss. 24(1), 26(3), **Sch. 2 para. 33(2)(b)**; S.I. 2010/2480, **art. 2**

F3438 Word in s. 429(1)(a) omitted (12.10.2010) by virtue of Financial Services Act 2010 (c. 28), ss. 24(1), 26(3), **Sch. 2 para. 33(2)(a)**; S.I. 2010/2480, **art. 2**

F3439 Words in s. 429(1)(a) substituted (E.W.S.) (6.10.2018) by Financial Guidance and Claims Act 2018 (c. 10), **ss. 27(12)(a)**, 37(5); S.I. 2018/1045, reg. 2(a)

F3440 S. 429(1)(b) omitted (24.1.2013) by virtue of Financial Services Act 2012 (c. 21), **ss. 49(2)(b)**, 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(a), Sch. Pt. 1

F3441 Word in s. 429(2) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 30(3)**, 86(3); S.I. 2023/779, reg. 4(u)

F3442 Words in s. 429(2) inserted (8.11.2006) by Companies Act 2006 (c. 46), ss. 1272, 1300(1)(a), **Sch. 15 para. 12**

F3443 Word in s. 429(2) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), s. 86(2)(c), **Sch. 8 para. 9**

F3444 Words in s. 429(2) inserted (1.9.2023 for specified purposes) by Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 8 para. 16(2)(a)**; S.I. 2023/934, reg. 2(b)(vi)

F3445 Word in s. 429(2) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 34(3)**, 86(3); S.I. 2023/779, reg. 4(x)

F3446 Word in s. 429(2) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 31(5)**, 86(3); S.I. 2023/779, reg. 4(v)

F3447 Word in s. 429(2) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 65(4)(a)**, 86(3); S.I. 2023/779, reg. 4(qq)

F3448 Word in s. 429(2) inserted (1.3.2014) by Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 136(3)**, 148(5); S.I. 2014/377, art. 2(1)(a), Sch. Pt. 1

F3449 Words in s. 429(2) inserted (1.7.2021) by Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 2 para. 17(2)** (with Sch. 2 Pt. 3); S.I. 2021/671, reg. 4(b)

F3450 Words in s. 429(2) inserted (9.6.2021) by Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 3 para. 19** (with Sch. 3 Pt. 4); S.I. 2021/671, reg. 2(d)

F3451 Word in s. 429(2) omitted (29.8.2023) by virtue of Financial Services and Markets Act 2023 (c. 29), **ss. 65(4)(b)**, 86(3); S.I. 2023/779, reg. 4(qq)

F3452 Words in s. 429(2) inserted (17.2.2009 for certain purposes and 21.2.2009 otherwise) by Banking Act 2009 (c. 1), **ss. 178**, 263(1) (with s. 247); S.I. 2009/296, **arts. 2**, 3, Sch. para. 4

F3453 Word in s. 429(2) inserted (8.4.2010) by Financial Services Act 2010 (c. 28), ss. 24(1), 26(1)(l), **Sch. 2 para. 33(3)**

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F3454 Words in s. 429(2) substituted (3.3.2015) by Pension Schemes Act 2015 (c. 8), s. 89(1)(a), **Sch. 3 para. 12** (with s. 87)

F3455 Words in s. 429(2) inserted (23.2.2022) by Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 9 para. 8**; S.I. 2022/163, reg. 2(a)

F3456 Word in s. 429(2) inserted (23.2.2022) by Financial Services Act 2021 (c. 22), **ss. 25(8)**, 49(5); S.I. 2022/163, reg. 2(b)

F3457 Word in s. 429(2) inserted (4.5.2016) by Bank of England and Financial Services Act 2016 (c. 14), **ss. 31(3)**, 41(1)

F3458 Word in s. 429(2) inserted (1.1.2024 at 1.00 a.m.) by Financial Services and Markets Act 2023 (c. 29), **ss. 49(3)**, 86(3); S.I. 2023/1382, reg. 10(e)

F3459 Words in s. 429(2) omitted (1.1.2019) by virtue of Financial Guidance and Claims Act 2018 (c. 10), s. 37(5), **Sch. 3 para. 20**; S.I. 2018/1330, reg. 2(g)(v)

F3460 Word in s. 429(2) inserted (29.6.2023 for specified purposes) by Financial Services and Markets Act 2023 (c. 29), s. 86(1)(e), **Sch. 10 para. 17(a)**

F3461 Words in s. 429(2) substituted (29.8.2023) by virtue of Financial Services and Markets Act 2023 (c. 29), **ss. 69(5)**, 86(3); S.I. 2023/779, reg. 4(uu)

F3462 Words in s. 429(2) inserted (1.9.2023 for specified purposes) by virtue of Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 8 para. 16(2)(b)**; S.I. 2023/934, reg. 2(b)(vi)

F3463 S. 429(2A)(2B) inserted (1.3.2014) by Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 136(4)**, 148(5); S.I. 2014/377, art. 2(1)(a), Sch. Pt. 1

F3464 Words in s. 429(2B) substituted (6.7.2016) by Bank of England and Financial Services Act 2016 (c. 14), **ss. 22(3)(a)**, 41(3); S.I. 2016/627, reg. 2(1)(p)

F3465 S. 429(2B)(aa)(ab) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 8(8)(a)**, 86(3); S.I. 2023/779, reg. 4(e)

F3466 S. 429(2B)(b) inserted (6.7.2016) by Bank of England and Financial Services Act 2016 (c. 14), **ss. 33(5)(a)**, 41(3); S.I. 2016/627, reg. 2(1)(x)

F3467 S. 429(2B)(ba) inserted (1.7.2021) by Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 2 para. 17(3)** (with Sch. 2 Pt. 3); S.I. 2021/671, reg. 4(b)

F3468 S. 429(2B)(bb) inserted (29.6.2023 for specified purposes) by Financial Services and Markets Act 2023 (c. 29), s. 86(1)(e), **Sch. 10 para. 17(b)**

F3469 Words in s. 429(2B) renumbered as s. 429(2B)(c) (6.7.2016) by Bank of England and Financial Services Act 2016 (c. 14), **ss. 33(5)(b)**, 41(3); S.I. 2016/627, reg. 2(1)(x)

F3470 S. 429(2B)(d) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 63(2)**, 86(3); S.I. 2023/779, reg. 4(pp)

F3471 S. 429(2B)(d) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), s. 86(2)(e), **Sch. 12 para. 10**

F3472 S. 429(2B)(e) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), s. 86(2)(e), **Sch. 13 para. 2**

F3473 Words in s. 429(4)(e) substituted (E.W.S.) (6.10.2018) by Financial Guidance and Claims Act 2018 (c. 10), **ss. 27(12)(b)(i)**, 37(5); S.I. 2018/1045, reg. 2(a)

F3474 Word in s. 429(4)(f) omitted (E.W.S.) (6.10.2018) by virtue of Financial Guidance and Claims Act 2018 (c. 10), **ss. 27(12)(b)(ii)**, 37(5); S.I. 2018/1045, reg. 2(a)

F3475 S. 429(4)(h) and word inserted (E.W.S.) (6.10.2018) by Financial Guidance and Claims Act 2018 (c. 10), **ss. 27(12)(b)(iii)**, 37(5); S.I. 2018/1045, reg. 2(a)

F3476 S. 429(7A)(7B) inserted (E.W.S.) (6.10.2018) by Financial Guidance and Claims Act 2018 (c. 10), **ss. 27(12)(c)**, 37(5); S.I. 2018/1045, reg. 2(a)

F3477 Words in s. 429(8) inserted (24.1.2013) by Financial Services Act 2012 (c. 21), **ss. 49(3)(a)**, 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(a), Sch. Pt. 1

F3478 Word in s. 429(8) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 19(6)**, 86(3); S.I. 2023/779, reg. 4(n)

F3479 Words in s. 429(8) inserted (8.6.2010) by Financial Services Act 2010 (c. 28), ss. 24(1), 26(2)(e), **Sch. 2 para. 33(4)**

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F3480 Word in s. 429(8) inserted (24.1.2013) by Financial Services Act 2012 (c. 21), **ss. 49(3)(b)**, 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(a), Sch. Pt. 1
F3481 Words in s. 429(8) inserted (24.1.2013) by Financial Services Act 2012 (c. 21), **ss. 49(3)(c)**, 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(a), Sch. Pt. 1
F3482 Words in s. 429(8) substituted (1.3.2014) by Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 136(5)**, 148(5); S.I. 2014/377, art. 2(1)(a), Sch. Pt. 1
F3483 Word in s. 429(8) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 8(8)(b)**, 86(3); S.I. 2023/779, reg. 4(e)
F3484 S. 429(9) inserted (1.9.2023 for specified purposes) by Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 8 para. 16(3)**; S.I. 2023/934, reg. 2(b)(vi)
F3485 Words in s. 429(9) substituted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), ss. 8(8)(c), 86(3); S.I. 2023/779, reg. 4(e)

430 Extent.

(1) This Act, except Chapter IV of Part XVII, extends to Northern Ireland.

(2) Except where Her Majesty by Order in Council provides otherwise, the extent of any amendment or repeal made by or under this Act is the same as the extent of the provision amended or repealed.

(3) Her Majesty may by Order in Council provide for any provision of or made under this Act relating to a matter which is the subject of other legislation which extends to any of the Channel Islands or the Isle of Man to extend there with such modifications (if any) as may be specified in the Order.

Modifications etc. (not altering text)
C1586 S. 430(3) extended (29.6.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 85(3)**, 86(1)(f)

431 Commencement.

(1) The following provisions come into force on the passing of this Act—
(a) this section;
(b) sections 428, 430 and 433;
(c) paragraphs 1 and 2 of Schedule 21.

(2) The other provisions of this Act come into force on such day as the Treasury may by order appoint; and different days may be appointed for different purposes.

Subordinate Legislation Made
P1 S. 431(2) power partly exercised: 25.2.2001 appointed for specified provisions by S.I. 2001/516, **art. 2 Sch.**
S. 431(2) power partly exercised: 30.4.2001 appointed for specified provisions by S.I. 2001/1282, **art. 2**
S. 431(2) power partly exercised: 18.6.2001 appointed for specified provisions by S.I. 2001/1820, **art. 2 Sch.**
S. 431(2) power partly exercised: 20.7.2001 and 3.9.2001 appointed for specified provisions by S.I. 2001/2632, **art. 2 Sch.**

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S. 431(2) power partly exercised: 19.10.2001 appointed for specified provisions by S.I. 2001/3436, **art. 2**
S. 431(2) power partly exercised: different dates appointed for specified provisions by S.I. 2001/3538, **art. 2**

432 Minor and consequential amendments, transitional provisions and repeals.

(1) Schedule 20 makes minor and consequential amendments.

(2) Schedule 21 makes transitional provisions.

(3) The enactments set out in Schedule 22 are repealed.

Commencement Information

I85 S. 432 wholly in force at 1.12.2001; s. 432 not in force at Royal Assent see s. 431(2); s. 432(3) in force for specified purposes at 30.4.2001 by S.I. 2001/1282, **art. 2**; s. 432(1) in force for specified purposes at 2.7.2001 by S.I. 2001/2364, **art. 2(1)(b)**; s. 432(1) in force for specified purposes at 3.9.2001 by S.I. 2001/2632, art. 2(2), **Sch. Pt. 2**; s. 432 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**

433 Short title.

This Act may be cited as the Financial Services and Markets Act 2000.

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SCHEDULES

[F3486]SCHEDULE 1

Section 1.

. . . . . .

Textual Amendments

F3486 Schs. 1ZA, 1ZB substituted for Sch. 1 (24.1.2013 for specified purposes, 19.2.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 3** (with Sch. 20); S.I. 2013/113, art. 2(1)(b)(c)(2), Sch. Pts. 2, 3, 4; S.I. 2013/423, art. 3, Sch.

[F3486]SCHEDULE 1ZA

Section 1A

THE FINANCIAL CONDUCT AUTHORITY

Modifications etc. (not altering text)

C1587 Sch. 1ZA applied (with modifications) (6.4.2018 immediately after 2016 c. 16 (N.I.), s. 8(2) comes into force) by The Financial Services Act 2012 (Mutual Societies) Order 2018 (S.I. 2018/323), art. 1, Sch. 1 paras. 2(2)(a), 5(1)**(2)** (with art. 3)

PART 1

GENERAL

Modifications etc. (not altering text)

C1588 Sch. 1ZA Pt. 1 modified by S.I. 2007/3298, reg. 4(4) (as amended) (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 131(c)**

C1589 Sch. 1ZA Pt. 1 modified (26.6.2017) by The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (S.I. 2017/692), regs. 1(2), **46(9)**, 63(8) (with regs. 8, 15)

Interpretation

1 In this Schedule—

"the Bank" means the Bank of England;

"functions", in relation to the FCA, means functions conferred on the FCA by or under any provision of this Act (see section 1A(6) which affects the meaning of references to such functions).

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Constitution

2 (1) The constitution of the FCA must provide for the FCA to have a governing body.

(2) The governing body must consist of—

(a) a chair appointed by the Treasury,

(b) a chief executive appointed by the Treasury,

(c) the Bank's Deputy Governor for prudential regulation,

[[F3487](ca) the Chair of the Payment Systems Regulator,**]**

(d) 2 members appointed jointly by the Secretary of State and the Treasury, and

(e) at least one other member appointed by the Treasury.

(3) The members referred to in sub-paragraph (2)(a), (c) **[**[F3488], (ca)**]** and (d) are to be non-executive members.

(4) In exercising its powers under sub-paragraph (2)(e) to appoint executive or non-executive members, the Treasury must secure that the majority of members of the governing body are non-executive members.

(5) An employee of the FCA may not be appointed as a non-executive member.

(6) In the following provisions of this Schedule an "appointed member" means a member of the governing body appointed under sub-paragraph (2)(a), (b), (d) or (e).

Textual Amendments

F3487 Sch. 1ZA para. 2(2)(ca) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 52(4)(a)**, 86(2)(b)

F3488 Word in Sch. 1ZA para. 2(3) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 52(4)(b)**, 86(2)(b)

[[F3489]2A (1) The term of office of a person appointed as chief executive under paragraph 2(2)(b) must not begin before—

(a) the person has, in connection with the appointment, appeared before the Treasury Committee of the House of Commons, or

(b) (if earlier) the end of the period of 3 months beginning with the day on which the appointment is made.

[[F3490](1A) Appointment as chief executive under paragraph 2(2)(b) is to be for a period of 5 years.**]**

(2) **[**[F3491]Sub-paragraphs (1) and (1A) do**]** not apply if the person is appointed as chief executive on an acting basis, pending a further appointment being made.

(3) The reference to the Treasury Committee of the House of Commons—

(a) if the name of that Committee is changed, is a reference to that Committee by its new name, and

(b) if the functions of that Committee (or substantially corresponding functions) become functions of a different Committee of the House of Commons, is to be treated as a reference to the Committee by which the functions are exercisable.

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(4) Any question arising under sub-paragraph (3) is to be determined by the Speaker of the House of Commons.**]**

Textual Amendments

F3489 Sch. 1ZA para. 2A inserted (6.7.2016) by Bank of England and Financial Services Act 2016 (c. 14), **ss. 18**, 41(3); S.I. 2016/627, reg. 2(1)(m)

F3490 Sch. 1ZA para. 2A(1A) inserted (29.6.2021) by Financial Services Act 2021 (c. 22), **ss. 42(2)(a)**, 49(2)(d)

F3491 Words in Sch. 1ZA para. 2A(2) substituted (29.6.2021) by Financial Services Act 2021 (c. 22), **ss. 42(2)(b)**, 49(2)(d)

[F3492 2B (1) A person may not be appointed as chief executive under paragraph 2(2)(b) more than twice.

(2) For this purpose an appointment as chief executive on an acting basis, pending a further appointment being made, is to be ignored.**]**

Textual Amendments

F3492 Sch. 1ZA para. 2B inserted (29.6.2021) by Financial Services Act 2021 (c. 22), **ss. 42(3)**, 49(2)(d)

3 (1) The terms of service of the appointed members are to be determined by the Treasury.

(2) In the case of a member appointed under paragraph 2(2)(d), the Treasury must consult the Secretary of State about the terms of service.

(3) Before appointing a person as an appointed member, the Treasury (or as the case requires the Treasury and the Secretary of State) must consider whether the person has any financial or other interests that could have a material effect on the extent of the functions as member that it would be proper for the person to discharge.

(4) The terms of service of an appointed member ("M") must be such as—

(a) to secure that M is not subject to direction by the Treasury or the Secretary of State,

(b) to require M not to act in accordance with the directions of any other person, and

(c) to prohibit M from acquiring any financial or other interests that have a material effect on the extent of the functions as member that it would be proper for M to discharge.

(5) If an appointed member is an employee of the FCA, the member's interest as employee is to be disregarded for the purposes of sub-paragraphs (3) and (4)(c) and paragraph 4(1)(b).

(6) A person who is an employee of the PRA **[**F3493 or of the Payment Systems Regulator**]** is disqualified for appointment as an appointed member.

(7) The FCA may pay expenses to **[**F3494 a person holding an office mentioned in paragraph 2(2)(c) or (ca)**]** in respect of that person's service as a member.

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Textual Amendments

F3493 Words in Sch. 1ZA para. 3(6) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 52(5)(a)**, 86(2)(b)

F3494 Words in Sch. 1ZA para. 3(7) substituted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 52(5)(b)**, 86(2)(b)

4 (1) The Treasury may remove an appointed member from office—

(a) on the grounds of incapacity or serious misconduct, or

(b) on the grounds that in all the circumstances the member's financial or other interests are such as to have a material effect on the extent of the functions as member that it would be proper for the person to discharge.

(2) Before removing from office a member appointed under paragraph 2(2)(d), the Treasury must consult the Secretary of State.

5 The validity of any act of the FCA is not affected—

(a) by any vacancy in any of the offices mentioned in paragraph 2(2)(a), (b) **[**F3495, (c) or (ca)**]**, or

(b) by a defect in the appointment of a person—

(i) to any of those offices, or

(ii) as an appointed member.

Textual Amendments

F3495 Words in Sch. 1ZA para. 5(a) substituted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 52(6)**, 86(2)(b)

6 The Bank's Deputy Governor for prudential regulation must not take part in any discussion by or decision of the FCA which relates to—

(a) the exercise of the FCA's functions in relation to a particular person, or

(b) a decision not to exercise those functions.

[F3496 6A (1) The Chair of the Payment Systems Regulator must not take part in any discussion by or decision of the FCA which relates to—

(a) the exercise of the FCA's functions in relation to a particular person, or

(b) a decision not to exercise those functions.

(2) Sub-paragraph (1) does not apply at any time when the person who is the Chair of the Payment Systems Regulator also holds the office mentioned in paragraph 2(2)(a).**]**

Textual Amendments

F3496 Sch. 1ZA para. 6A inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 52(7)**, 86(2)(b)

Remuneration

7 The FCA must pay to the appointed members such remuneration as may be determined—

(a) in the case of the non-executive members, by the Treasury;

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(b) in the case of the executive members, by the FCA.

Arrangements for discharging functions

8 (1) The FCA may make arrangements for any of its functions to be discharged by a committee, sub-committee, officer or member of staff of the FCA, but subject to the following provisions.

(2) In exercising its legislative functions, the FCA must act through its governing body.

(3) For that purpose, the following are the FCA's legislative functions—

(a) making rules **[**F3497under this Act or under **[**F3498assimilated direct**]** legislation**]**;

F3499(b) . . . . . .

(c) issuing statements under—

(i) section **[**F3500**]**63ZD,**[**63C, F3501... 69, 88C, 89S, 93, 124, **[**F3502**]**131J,**[**138N, **[**F3503**]**142V,**[**192H, 192N, 210 **[**F3504**]**or 312J**]**,

(ii) section 345D (whether as a result of section 345(2) **[**F3505, section 249(1) or 261K(1)**]**), or

(iii) section 80 of the Financial Services Act 2012;

(d) giving directions under section 316, 318 or 328.

F3506(e) . . . . . .

[F3507(f) making technical standards in accordance with Chapter 2A of Part 9A;

(g) making EU Exit instruments under the Financial Regulators' Powers (Technical Standards) (Amendment etc.) (EU Exit) Regulations 2018.**]**

[F3508(3A) In exercising its functions under sections 9(2) and 10 of the Financial Guidance and Claims Act 2018 (approving and reviewing standards set by **[**F3509**]**Money and Pensions Service**]**), the FCA must act through its governing body.**]**

(4) The function of issuing general guidance (as defined in section 139B(5) F3510...) may not be discharged by an officer or member of staff of the FCA.

[F3511(5) In respect of the exercise of a function under Part 1 of the Competition Act 1998, the power in sub-paragraph (1) is subject to provision in rules made under section 51 of that Act by virtue of paragraph 1A of Schedule 9 to that Act.**]**

Textual Amendments

F3497 Words in Sch. 1ZA para. 8(3)(a) inserted (1.7.2021) by Financial Services Act 2021 (c. 22), **ss. 43(3)**, 49(5); S.I. 2021/739, reg. 3(w)

F3498 Words in Sch. 1ZA para. 8(3)(a) substituted (1.1.2024) by The Retained EU Law (Revocation and Reform) Act 2023 (Consequential Amendment) Regulations 2023 (S.I. 2023/1424), reg. 1(2), **Sch. para. 44(4)(w)**

F3499 Sch. 1ZA para. 8(3)(b) omitted (3.7.2016) by virtue of The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **10(22)**

F3500 Word in Sch. 1ZA para. 8(3)(c)(i) inserted (25.7.2014) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 3 para. 16(b)(i)**; S.I. 2014/1819, art. 2(4)(b)

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F3501 Word in Sch. 1ZA para. 8(3)(c)(i) omitted (7.3.2016) by virtue of Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 3 para. 16(b)(ii)**; S.I. 2015/490, art. 2(1)(b) (with savings and transitional provisions in S.I. 2015/492 (as amended by S.I. 2015/1660))

F3502 Word in Sch. 1ZA para. 8(3)(c)(i) omitted (14.1.2025 for specified purposes) by virtue of The Short Selling Regulations 2025 (S.I. 2025/29), reg. 2(2)(3), **Sch. 2 para. 1(10)**

F3503 Word in Sch. 1ZA para. 8(3)(c)(i) inserted (1.1.2019) by Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 4(6)**, 148(5); S.I. 2018/1306, art. 2(d)

F3504 Words in Sch. 1ZA para. 8(3)(c)(i) substituted (1.1.2019) by Financial Guidance and Claims Act 2018 (c. 10), s. 37(5), **Sch. 3 para. 21(2)(a)(i)**; S.I. 2018/1330, reg. 2(g)(vi)

F3505 Words in Sch. 1ZA para. 8(3)(c)(ii) substituted (6.6.2013) by The Collective Investment in Transferable Securities (Contractual Scheme) Regulations 2013 (S.I. 2013/1388), regs. 1, **3(21)** (with reg. 24)

F3506 Sch. 1ZA para. 8(3)(e) omitted (1.1.2019) by virtue of Financial Guidance and Claims Act 2018 (c. 10), s. 37(5), **Sch. 3 para. 21(2)(a)(ii)**; S.I. 2018/1330, reg. 2(g)(vi)

F3507 Sch. 1ZA para. 8(3)(f)(g) inserted (26.10.2018) by The Financial Regulators Powers (Technical Standards etc.) (Amendment etc.) (EU Exit) Regulations 2018 (S.I. 2018/1115), regs. 1(2), **7(9)(a)**

F3508 Sch. 1ZA para. 8(3A) inserted (1.10.2018) by Financial Guidance and Claims Act 2018 (c. 10), s. 37(5), **Sch. 3 para. 21(2)(b)**; S.I. 2018/1029, reg. 2(q) (with Sch. para. 2)

F3509 Words in Sch. 1ZA para. 8(3A) substituted (6.4.2019) by The Financial Guidance and Claims Act 2018 (Naming and Consequential Amendments) Regulations 2019 (S.I. 2019/383), reg. 1(1), **Sch. para. 7(d)**

F3510 Words in Sch. 1ZA para. 8(4) omitted (1.1.2019) by virtue of Financial Guidance and Claims Act 2018 (c. 10), s. 37(5), **Sch. 3 para. 21(2)(c)**; S.I. 2018/1330, reg. 2(g)(vi)

F3511 Sch. 1ZA para. 8(5) inserted (1.11.2014) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 8 para. 7(2)**; S.I. 2014/2458, art. 2(b)(bb)(ii)

Modifications etc. (not altering text)

C1590 Sch. 1ZA para. 8(2) modified (20.2.2013) by The Financial Services Act 2012 (Transitional Provisions) (Rules and Miscellaneous Provisions) Order 2013 (S.I. 2013/161), arts. 1(1), **3(8)(a)(9)**

C1591 Sch. 1ZA para. 8(2) modified (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No. 2) Order 2013 (S.I. 2013/1881), arts. 1(2)(6), **64(6)**

C1592 Sch. 1ZA para. 8(2) modified (E.W.S.) (29.11.2018 for specified purposes, 1.4.2019 in so far as not already in force) by The Financial Services and Markets Act 2000 (Claims Management Activity) Order 2018 (S.I. 2018/1253), arts. 1(2)(3), **85(8)**

Records

9 The FCA must maintain satisfactory arrangements for—

(a) recording decisions made in the exercise of its functions, and

(b) the safe-keeping of those records which it considers ought to be preserved.

Publication of record of meetings of governing body

10 (1) The FCA must publish a record of each meeting of its governing body—

(a) before the end of the period of 6 weeks beginning with the day of the meeting, or

(b) if no meeting of the governing body is subsequently held during that period, before the end of the period of 2 weeks beginning with the day of the next meeting.

(2) The record must specify any decision taken at the meeting (including decisions to take no action) and must set out, in relation to each decision, a summary of the deliberations of the governing body.

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(3) Sub-paragraphs (1) and (2) do not require the publication of information whose publication within the time required by sub-paragraph (1) would in the opinion of the governing body be against the public interest.

(4) Publication under this section is to be in such manner as the FCA thinks fit.

Modifications etc. (not altering text)
C1593 Sch. 1ZA para. 10 applied (20.2.2013) by The Financial Services Act 2012 (Transitional Provisions) (Rules and Miscellaneous Provisions) Order 2013 (S.I. 2013/161), arts. 1(1), **7(3)(a)**

Annual report

11 (1) At least once a year the FCA must make a report to the Treasury on—

(a) the discharge of its functions,

(b) the extent to which, in its opinion, its operational objectives have been advanced,

(c) the extent to which, in its opinion, it has acted compatibly with its strategic objective,

(d) how, in its opinion, it has complied with the duty in section 1B(4),

[how, in its opinion, it has complied with the duty in section 1B(4A),**]**

F3512(da)

(e) its consideration of the matter mentioned in section 1B(5)(b),

(f) its consideration of the principles in section 3B,

(g) how it has complied with section 3D,

(h) any direction received under section 3I or 3J during the period to which the report relates,

[F3513(ha) any rules that it has made as a result of section 137C during the period to which the report relates and the kinds of regulated credit agreement (within the meaning of that section) to which the rules apply,**]**

F3514(hb) . . . . . .

[F3515(hc) how it has satisfied the requirement in section 138EA(2) so far as regarding disclosure requirements in connection with matters relating to sustainability**]**,

(i) how it has complied with section 354A(1) so far as relating to co-operation with persons outside the United Kingdom, F3516...

[F3517(ia) how, in its opinion, it has complied with its duties under sections 9(2) and 10 of the Financial Guidance and Claims Act 2018, F3518...**]**

[F3519(ib) how it has satisfied the requirement in section 416B to have regard to any SDR policy statement of the Treasury published and not withdrawn under section 416A (sustainability disclosure requirements: policy statement)**]**,

[F3520(ib) any engagement with the statutory panels of the FCA, the PRA or the Payment Systems Regulator,

(ic) how it has complied with the statement of policy on panel appointments prepared under section 1RA in relation to the process for making appointments and the matters considered in determining who is appointed, and**]**

(j) such other matters as the Treasury may from time to time direct.

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(2) Sub-paragraph (1) does not require the inclusion in the report of any information whose publication would in the opinion of the FCA be against the public interest.

(3) The report must be accompanied by—

(a) a statement of the remuneration of the appointed members of the governing body of the FCA during the period to which the report relates, and

(b) such other reports or information, prepared by such persons, as the Treasury may from time to time direct.

(4) The Treasury must lay before Parliament a copy of each report received by them under this paragraph.

[F3521(5) In this paragraph "statutory panel" has the meaning given in section 1RB(5).**]**

Textual Amendments

F3512 Sch. 1ZA para. 11(1)(da) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 28(10)**, 86(3); S.I. 2023/779, reg. 4(s)

F3513 Sch. 1ZA para. 11(1)(ha) inserted (18.2.2014) by Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 131(2)**, 148(2)

F3514 Sch. 1ZA para. 11(1)(hb) omitted (1.1.2019) by virtue of Financial Guidance and Claims Act 2018 (c. 10), s. 37(5), **Sch. 3 para. 21(3)(a)**; S.I. 2018/1330, reg. 2(g)(vi)

F3515 Sch. 1ZA para. 11(1)(hc) inserted (1.1.2024) by Financial Services and Markets Act 2023 (c. 29), **ss. 21(3)(a)**, 86(3); S.I. 2023/1382, reg. 9(1)(a)

F3516 Word in Sch. 1ZA para. 11(1)(i) omitted (1.10.2018) by virtue of Financial Guidance and Claims Act 2018 (c. 10), s. 37(5), **Sch. 3 para. 21(3)(b)**; S.I. 2018/1029, reg. 2(q) (with Sch. para. 2)

F3517 Sch. 1ZA para. 11(1)(ia) inserted (1.10.2018) by Financial Guidance and Claims Act 2018 (c. 10), s. 37(5), **Sch. 3 para. 21(3)(b)**; S.I. 2018/1029, reg. 2(q) (with Sch. para. 2)

F3518 Word in Sch. 1ZA para. 11(1) omitted (29.8.2023) by virtue of Financial Services and Markets Act 2023 (c. 29), **ss. 37(2)(a)**, 86(3); S.I. 2023/779, reg. 4(aa)

F3519 Sch. 1ZA para. 11(1)(ib) inserted (1.1.2024) by Financial Services and Markets Act 2023 (c. 29), **ss. 21(3)(b)**, 86(3); S.I. 2023/1382, reg. 9(1)(a)

F3520 Sch. 1ZA para. 11(1)(ib)(ic) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 37(2)(b)**, 86(3); S.I. 2023/779, reg. 4(aa)

F3521 Sch. 1ZA para. 11(5) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 37(3)**, 86(3); S.I. 2023/779, reg. 4(aa)

[F3522 Other reports

Textual Amendments

F3522 Sch. 1ZA para. 11A and cross-heading inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 39(2)**, 86(3); S.I. 2023/779, reg. 4(cc)

11A (1) The Treasury may (subject to this paragraph) at any time by direction require the FCA to publish a report containing information about—

(a) any of the matters mentioned in paragraphs (a) to (ia) of paragraph 11(1);

(b) such other matters that the direction may specify.

(2) The Treasury may give a direction under this paragraph requiring information to be published only if the Treasury consider that—

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(a) the information is reasonably necessary for the purpose of reviewing and scrutinising the discharge of the FCA's functions, and

(b) other available information is not sufficient to meet that purpose.

(3) Subject to sub-paragraph (4), the FCA must publish a report prepared under a direction given under this paragraph in such manner, and within such period, as the direction may require.

(4) Nothing in this paragraph requires the inclusion in the report of any information whose publication would be against the public interest.

(5) A direction under this paragraph may not—

(a) require a report to be published more than once in each quarter;

(b) require the publication of information that is confidential information for the purposes of Part 23 (see section 348(2)).

(6) The Treasury must consult the FCA before giving a direction under this paragraph.

(7) In exercising the power under this paragraph, the Treasury must have regard to the desirability of minimising any adverse effect that the preparation of the report required in accordance with the direction may have on the exercise by the FCA of any of its other functions.

(8) The Treasury must—

(a) lay before Parliament a copy of a direction given under this paragraph, and

(b) publish the direction in such manner as the Treasury think fit.

(9) A direction under this paragraph may be varied or revoked by the giving of a further direction.**]**

Annual public meeting

12 (1) Not later than 3 months after making a report under paragraph 11, the FCA must hold a public meeting ("the annual meeting") for the purposes of enabling that report to be considered.

(2) The FCA must organise the annual meeting so as to allow—

(a) a general discussion of the contents of the report which is being considered, and

(b) a reasonable opportunity for those attending the meeting to put questions to the FCA about the way in which it discharged, or failed to discharge, its functions during the period to which the report relates.

(3) But otherwise the annual meeting is to be organised and conducted in such a way as the FCA considers appropriate.

(4) The FCA must give reasonable notice of its annual meeting.

(5) That notice must—

(a) give details of the time and place at which the meeting is to be held,

(b) set out the proposed agenda for the meeting,

(c) indicate the proposed duration of the meeting,

(d) give details of the FCA's arrangements for enabling persons to attend, and

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(e) be published by the FCA in the way appearing to it to be best calculated to bring the notice to the attention of the public.

(6) If the FCA proposes to alter any of the arrangements which have been included in the notice given under sub-paragraph (5), it must—

(a) give reasonable notice of the alteration, and

(b) publish that notice in the way appearing to the FCA to be best calculated to bring it to the attention of the public.

Report of annual meeting

13 Not later than one month after its annual meeting, the FCA must publish a report of the proceedings of the meeting.

Accounts and audit

14 (1) The Treasury may—

(a) require the FCA to comply with any provisions of the Companies Act 2006 about accounts and their audit which would not otherwise apply to it, or

(b) direct that any provision of that Act about accounts and their audit is to apply to the FCA with such modifications as are specified in the direction, whether or not the provision would otherwise apply to the FCA.

(2) Compliance with any requirement under sub-paragraph (1)(a) or (b) is enforceable by injunction or, in Scotland, an order for specific performance under section 45 of the Court of Session Act 1988.

(3) Proceedings under sub-paragraph (2) may be brought only by the Treasury.

15 (1) The FCA must send a copy of its annual accounts to the Comptroller and Auditor General as soon as is reasonably practicable.

(2) The Comptroller and Auditor General must—

(a) examine, certify and report on accounts received under this paragraph, and

(b) send a copy of the certified accounts and the report to the Treasury.

(3) The Treasury must lay the copy of the certified accounts and the report before Parliament.

(4) Except as provided by paragraph 14(1), the FCA is exempt from the requirements of Part 16 of the Companies Act 2006 (audit), and its balance sheet must contain a statement to that effect.

(5) In this paragraph "annual accounts" has the meaning given in section 471 of the Companies Act 2006.

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PART 2

STATUS

Modifications etc. (not altering text)

C1594 Sch. 1ZA Pt. 2 modified (26.6.2017) by The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (S.I. 2017/692), regs. 1(2), **46(9)**, 63(8) (with regs. 8, 15)

Status

16 In relation to any of its functions—

(a) the FCA is not to be regarded as acting on behalf of the Crown, and

(b) its members, officers and staff are not to be regarded as Crown servants.

Modifications etc. (not altering text)

C1595 Sch. 1ZA para. 16 applied (20.2.2013) by The Financial Services Act 2012 (Transitional Provisions) (Rules and Miscellaneous Provisions) Order 2013 (S.I. 2013/161), arts. 1(1), **7(3)(b)**

Exemption from requirement for use of "limited" in name of FCA

17 The FCA is to continue to be exempt from the requirements of the Companies Act 2006 relating to the use of "limited" as part of its name.

18 If the Secretary of State is satisfied that any action taken by the FCA makes it inappropriate for the exemption given by paragraph 17 to continue, the Secretary of State may, after consulting the Treasury, give a direction removing it.

PART 3

PENALTIES AND FEES

Modifications etc. (not altering text)

C1596 Sch. 1ZA Pt. 3 modified (E.W.S.) (29.11.2018 for specified purposes, 1.4.2019 in so far as not already in force) by The Financial Services and Markets Act 2000 (Claims Management Activity) Order 2018 (S.I. 2018/1253), arts. 1(2)(3), **54(4)**

C1597 Sch. 1ZA Pt. 3 applied (with modifications) (31.5.2021) by The Civil Liability Act 2018 (Financial Conduct Authority) (Whiplash) Regulations 2021 (S.I. 2021/594), regs. 1, **2(2)(b)**

Penalties

19 In determining its policy with respect to the amounts of penalties to be imposed by it under this Act, the FCA must take no account of the expenses which it incurs, or expects to incur, in discharging its functions.

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Modifications etc. (not altering text)

C1598 Sch. 1ZA para. 19 applied (with modifications) by S.I. 2008/346, reg. 37 (as substituted (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 134(b)**)

C1599 Sch. 1ZA paras. 19-22 applied (with modifications) (E.W.) (9.7.2013) by The Legal Aid, Sentencing and Punishment of Offenders Act 2012 (Referral Fees) Regulations 2013 (S.I. 2013/1635), regs. 1, **7(2)**

C1600 Sch. 1ZA paras. 19-22 applied (with modifications) (12.12.2014) by The Immigration Act 2014 (Bank Accounts) Regulations 2014 (S.I. 2014/3085), regs. 1, **6**

C1601 Sch. 1ZA paras. 19-23 applied (with modifications) (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 1 para. 25(1)** (with reg. 7)

C1602 Sch. 1ZA paras. 19-23 applied (with modifications) (3.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Data Reporting Services Regulations 2017 (S.I. 2017/699), regs. 1(2)(a)(b), **40**

C1603 Sch. 1ZA paras. 19-23 applied (with modifications) (1.1.2018) by The Packaged Retail and Insurance-based Investment Products Regulations 2017 (S.I. 2017/1127), reg. 1, **Sch. 1 para. 9**

C1604 Sch. 1ZA paras. 19-23 applied (with modifications) (27.2.2018) by The Financial Services and Markets Act 2000 (Benchmarks) Regulations 2018 (S.I. 2018/135), regs. 1(2), **26**

C1605 Sch. 1ZA paras. 19-23 applied (with modifications) (1.1.2019) by The Securitisation Regulations 2018 (S.I. 2018/1288), reg. 1, **Sch. 1 para. 11** (with Sch. 1 paras. 13, 14)

C1606 Sch. 1ZA paras. 19-22 applied (with modifications) (10.6.2019) by The Proxy Advisors (Shareholders Rights) Regulations 2019 (S.I. 2019/926), regs. 1, **20**, 28

C1607 Sch. 1ZA para. 19 modified (31.12.2020) by The Credit Rating Agencies (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/266), regs. 1(3), **14(2)** (with savings in S.I. 2019/680, **reg. 11**); 2020 c. 1, **Sch. 5 para. 1(1)**

C1608 Sch. 1ZA paras. 19-21 applied (with modifications) (31.12.2020) by The Over the Counter Derivatives, Central Counterparties and Trade Repositories (Amendment, etc., and Transitional Provision) (EU Exit) Regulations 2019 (S.I. 2019/335), regs. 1(1), **78** (with savings in S.I. 2019/680, **reg. 11**); 2020 c. 1, **Sch. 5 para. 1(1)**

C1609 Sch. 1ZA paras. 19-21 applied (with modifications) (31.12.2020) by The Transparency of Securities Financing Transactions and of Reuse (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/542), regs. 1, **39** (with savings in S.I. 2019/680, **reg. 11**); 2020 c. 1, **Sch. 5 para. 1(1)**

C1610 Sch. 1ZA paras. 19-21 applied (with modifications) (30.1.2024 for specified purposes, 1.11.2024 in so far as not already in force) by The Securitisation Regulations 2024 (S.I. 2024/102), reg. 2(1)(e)(2), **Sch. 1 para. 16** (with reg. 52(3), Sch. 3); as amended by S.I. 2024/705, regs. 1(2), 2(2)

C1611 Sch. 1ZA paras. 19-22 applied (with modifications) (14.1.2025 for specified purposes) by The Short Selling Regulations 2025 (S.I. 2025/29), regs. 2(2)(3), 24, 25, 26, Sch. 1 Pts. 1, 2, **3**

20 (1) The FCA must in respect of each of its financial years pay to the Treasury its penalty receipts after deducting its enforcement costs.

(2) The FCA's "penalty receipts" in respect of a financial year are any amounts received by it during the year by way of penalties imposed under this Act.

(3) The FCA's "enforcement costs" in respect of a financial year are the expenses incurred by it during the year in connection with—

(a) the exercise, or consideration of the possible exercise, of any of its enforcement powers in particular cases, or

(b) the recovery of penalties imposed under this Act **[**F3523or under a provision mentioned in sub-paragraph (4A)**]**.

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(4) For this purpose the FCA's enforcement powers are—

(a) its powers under any of the provisions mentioned in section 133(7A),

(b) its powers under section 56 (prohibition orders),

[F3524(ba) its powers under section 143S (Part 9C prohibition orders),**]**

[F3525(bb) its powers under section 309B (Part 18 prohibition orders),**]**

(c) its powers under Part 25 of this Act (injunctions and restitution),

[F3526(ca) its powers under the relevant competition provisions (as applied by Part 16A of this Act),**]**

(d) its powers under any other enactment specified by the Treasury by order,

(e) its powers in relation to the investigation of relevant offences, and

(f) its powers in England and Wales or Northern Ireland in relation to the prosecution of relevant offences.

[The relevant competition provisions" are—

F3527(4A)

(a) section 31E of the Competition Act 1998 (enforcement of commitments);

(b) section 34 of that Act (enforcement of directions);

(c) section 36 of that Act (penalties);

(d) section 40A of that Act (penalties: failure to comply with requirements);

(e) section 174A of the Enterprise Act 2002 (penalties).**]**

(5) "Relevant offences" are—

(a) offences under **[**F3528this Act**]**,

(b) offences under subordinate legislation made under **[**F3529this Act**]**,

(c) offences falling within section 402(1) F3530...,

[F3531(ca) offences under Part 1 of the Competition Act 1998,

(cb) offences under Part 4 of the Enterprise Act 2002,**]**

(d) offences under Part 7 of the Financial Services Act 2012, and

(e) any other offences specified by the Treasury by order.

(6) The Treasury may give directions to the FCA as to how the FCA is to comply with its duty under sub-paragraph (1).

(7) The directions may in particular—

(a) specify descriptions of expenditure that are, or are not, to be regarded as incurred in connection with either of the matters mentioned in sub-paragraph (3),

(b) relate to the calculation and timing of the deduction in respect of the FCA's enforcement costs, and

(c) specify the time when any payment is required to be made to the Treasury.

(8) The directions may also require the FCA to provide the Treasury at specified times with specified information relating to—

(a) penalties that the FCA has imposed under this Act, or

(b) the FCA's enforcement costs.

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(9) The Treasury must pay into the Consolidated Fund any sums received by them under this paragraph.

Textual Amendments

F3523 Words in Sch. 1ZA para. 20(3)(b) inserted (1.3.2014) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 10 para. 4(2)**; S.I. 2014/377, art. 2(1)(a), Sch. Pt. 1

F3524 Sch. 1ZA para. 20(4)(ba) inserted (1.7.2021) by Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 2 para. 18** (with Sch. 2 Pt. 3); S.I. 2021/671, reg. 4(b)

F3525 Sch. 1ZA para. 20(4)(bb) inserted (29.6.2023 for specified purposes) by Financial Services and Markets Act 2023 (c. 29), s. 86(1)(e), **Sch. 10 para. 18(2)**

F3526 Sch. 1ZA para. 20(4)(ca) inserted (1.3.2014) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 10 para. 4(3)**; S.I. 2014/377, art. 2(1)(a), Sch. Pt. 1

F3527 Sch. 1ZA para. 20(4A) inserted (1.3.2014) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 10 para. 4(4)**; S.I. 2014/377, art. 2(1)(a), Sch. Pt. 1

F3528 Words in Sch. 1ZA para. 20(5)(a) substituted (1.3.2014) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 10 para. 4(5)(a)**; S.I. 2014/377, art. 2(1)(a), Sch. Pt. 1

F3529 Words in Sch. 1ZA para. 20(5)(b) substituted (1.3.2014) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 10 para. 4(5)(b)**; S.I. 2014/377, art. 2(1)(a), Sch. Pt. 1

F3530 Words in Sch. 1ZA para. 20(5)(c) omitted (1.3.2014) by virtue of Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 10 para. 4(5)(c)**; S.I. 2014/377, art. 2(1)(a), Sch. Pt. 1

F3531 Sch. 1ZA para. 20(5)(ca)(cb) inserted (1.3.2014) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 10 para. 4(5)(d)**; S.I. 2014/377, art. 2(1)(a), Sch. Pt. 1

Modifications etc. (not altering text)

C1599 Sch. 1ZA paras. 19-22 applied (with modifications) (E.W.) (9.7.2013) by The Legal Aid, Sentencing and Punishment of Offenders Act 2012 (Referral Fees) Regulations 2013 (S.I. 2013/1635), regs. 1, **7(2)**

C1600 Sch. 1ZA paras. 19-22 applied (with modifications) (12.12.2014) by The Immigration Act 2014 (Bank Accounts) Regulations 2014 (S.I. 2014/3085), regs. 1, **6**

C1601 Sch. 1ZA paras. 19-23 applied (with modifications) (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 1 para. 25(1)** (with reg. 7)

C1602 Sch. 1ZA paras. 19-23 applied (with modifications) (3.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Data Reporting Services Regulations 2017 (S.I. 2017/699), regs. 1(2)(a)(b), **40**

C1603 Sch. 1ZA paras. 19-23 applied (with modifications) (1.1.2018) by The Packaged Retail and Insurance-based Investment Products Regulations 2017 (S.I. 2017/1127), reg. 1, **Sch. 1 para. 9**

C1604 Sch. 1ZA paras. 19-23 applied (with modifications) (27.2.2018) by The Financial Services and Markets Act 2000 (Benchmarks) Regulations 2018 (S.I. 2018/135), regs. 1(2), **26**

C1605 Sch. 1ZA paras. 19-23 applied (with modifications) (1.1.2019) by The Securitisation Regulations 2018 (S.I. 2018/1288), reg. 1, **Sch. 1 para. 11** (with Sch. 1 paras. 13, 14)

C1606 Sch. 1ZA paras. 19-22 applied (with modifications) (10.6.2019) by The Proxy Advisors (Shareholders Rights) Regulations 2019 (S.I. 2019/926), regs. 1, **20**, 28

C1608 Sch. 1ZA paras. 19-21 applied (with modifications) (31.12.2020) by The Over the Counter Derivatives, Central Counterparties and Trade Repositories (Amendment, etc., and Transitional Provision) (EU Exit) Regulations 2019 (S.I. 2019/335), regs. 1(1), **78** (with savings in S.I. 2019/680, **reg. 11**); 2020 c. 1, **Sch. 5 para. 1(1)**

C1609 Sch. 1ZA paras. 19-21 applied (with modifications) (31.12.2020) by The Transparency of Securities Financing Transactions and of Reuse (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/542), regs. 1, **39** (with savings in S.I. 2019/680, **reg. 11**); 2020 c. 1, **Sch. 5 para. 1(1)**

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C1610 Sch. 1ZA paras. 19-21 applied (with modifications) (30.1.2024 for specified purposes, 1.11.2024 in so far as not already in force) by The Securitisation Regulations 2024 (S.I. 2024/102), reg. 2(1)(e)(2), **Sch. 1 para. 16** (with reg. 52(3), Sch. 3); as amended by S.I. 2024/705, regs. 1(2), 2(2)

C1611 Sch. 1ZA paras. 19-22 applied (with modifications) (14.1.2025 for specified purposes) by The Short Selling Regulations 2025 (S.I. 2025/29), regs. 2(2)(3), 24, 25, 26, Sch. 1 Pts. 1, 2, **3**

C1612 Sch. 1ZA para. 20 applied (22.7.2013) by The Alternative Investment Fund Managers Regulations 2013 (S.I. 2013/1773), regs. 1, **71(3)**

C1613 Sch. 1ZA para. 20 applied (20.4.2015 for specified purposes, 21.12.2015 for specified purposes, 21.3.2016 in so far as not already in force) by The Mortgage Credit Directive Order 2015 (S.I. 2015/910), arts. 1(5), **23(4)** (with Pt. 4)

C1614 Sch. 1ZA para. 20 modified (31.12.2020) by The Credit Rating Agencies (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/266), regs. 1(3), **14(3)** (with savings in S.I. 2019/680, **reg. 11**); 2020 c. 1, **Sch. 5 para. 1(1)**

C1615 Sch. 1ZA paras. 19-23 applied (with modifications) (5.4.2024) by The Data Reporting Services Regulations 2024 (S.I. 2024/107), regs. 1(2), **27**; S.I. 2023/1382, reg. 4(c)

21 (1) The FCA must prepare and operate a scheme ("the financial penalty scheme") for ensuring that the amounts that, as a result of the deduction for which paragraph 20(1) provides, are retained by the FCA in respect of amounts paid to it by way of penalties imposed under this Act are applied for the benefit of regulated persons.

(2) "Regulated persons" means—

(a) authorised persons,

(b) recognised investment exchanges,

(c) issuers of securities admitted to the official list, [F3532]... **[**[F3533]and**]**

(d) issuers who have requested or approved the admission of financial instruments to trading on a regulated market, [F3534]...

[F3534](e) . . . . . .

(3) The financial penalty scheme may, in particular, make different provision with respect to different classes of regulated person.

(4) The financial penalty scheme must ensure that those who have become liable to pay a penalty to the FCA in any financial year of the FCA do not receive any benefit under the scheme in the following financial year.

(5) Up-to-date details of the financial penalty scheme must be set out in a document ("the scheme details").

Textual Amendments

F3532 Word in Sch. 1ZA para. 21(2)(c) omitted (3.3.2015) by virtue of Pension Schemes Act 2015 (c. 8), s. 89(1)(a), **Sch. 3 para. 15(a)** (with s. 87)

F3533 Word in Sch. 1ZA para. 21(2)(c) inserted (1.1.2019) by Financial Guidance and Claims Act 2018 (c. 10), s. 37(5), **Sch. 3 para. 21(4)(a)**; S.I. 2018/1330, reg. 2(g)(vi)

F3534 Sch. 1ZA para. 21(2)(e) and word omitted (1.1.2019) by virtue of Financial Guidance and Claims Act 2018 (c. 10), s. 37(5), **Sch. 3 para. 21(4)(b)**; S.I. 2018/1330, reg. 2(g)(vi)

Modifications etc. (not altering text)

C1599 Sch. 1ZA paras. 19-22 applied (with modifications) (E.W.) (9.7.2013) by The Legal Aid, Sentencing and Punishment of Offenders Act 2012 (Referral Fees) Regulations 2013 (S.I. 2013/1635), regs. 1, **7(2)**

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C1600 Sch. 1ZA paras. 19-22 applied (with modifications) (12.12.2014) by The Immigration Act 2014 (Bank Accounts) Regulations 2014 (S.I. 2014/3085), regs. 1, **6**

C1601 Sch. 1ZA paras. 19-23 applied (with modifications) (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 1 para. 25(1)** (with reg. 7)

C1602 Sch. 1ZA paras. 19-23 applied (with modifications) (3.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Data Reporting Services Regulations 2017 (S.I. 2017/699), regs. 1(2)(a)(b), **40**

C1603 Sch. 1ZA paras. 19-23 applied (with modifications) (1.1.2018) by The Packaged Retail and Insurance-based Investment Products Regulations 2017 (S.I. 2017/1127), reg. 1, **Sch. 1 para. 9**

C1604 Sch. 1ZA paras. 19-23 applied (with modifications) (27.2.2018) by The Financial Services and Markets Act 2000 (Benchmarks) Regulations 2018 (S.I. 2018/135), regs. 1(2), **26**

C1605 Sch. 1ZA paras. 19-23 applied (with modifications) (1.1.2019) by The Securitisation Regulations 2018 (S.I. 2018/1288), reg. 1, **Sch. 1 para. 11** (with Sch. 1 paras. 13, 14)

C1606 Sch. 1ZA paras. 19-22 applied (with modifications) (10.6.2019) by The Proxy Advisors (Shareholders Rights) Regulations 2019 (S.I. 2019/926), regs. 1, **20**, 28

C1608 Sch. 1ZA paras. 19-21 applied (with modifications) (31.12.2020) by The Over the Counter Derivatives, Central Counterparties and Trade Repositories (Amendment, etc., and Transitional Provision) (EU Exit) Regulations 2019 (S.I. 2019/335), regs. 1(1), **78** (with savings in S.I. 2019/680, **reg. 11**); 2020 c. 1, **Sch. 5 para. 1(1)**

C1609 Sch. 1ZA paras. 19-21 applied (with modifications) (31.12.2020) by The Transparency of Securities Financing Transactions and of Reuse (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/542), regs. 1, **39** (with savings in S.I. 2019/680, **reg. 11**); 2020 c. 1, **Sch. 5 para. 1(1)**

C1610 Sch. 1ZA paras. 19-21 applied (with modifications) (30.1.2024 for specified purposes, 1.11.2024 in so far as not already in force) by The Securitisation Regulations 2024 (S.I. 2024/102), reg. 2(1)(e)(2), **Sch. 1 para. 16** (with reg. 52(3), Sch. 3); as amended by S.I. 2024/705, regs. 1(2), 2(2)

C1611 Sch. 1ZA paras. 19-22 applied (with modifications) (14.1.2025 for specified purposes) by The Short Selling Regulations 2025 (S.I. 2025/29), regs. 2(2)(3), 24, 25, 26, Sch. 1 Pts. 1, 2, **3**

C1615 Sch. 1ZA paras. 19-23 applied (with modifications) (5.4.2024) by The Data Reporting Services Regulations 2024 (S.I. 2024/107), regs. 1(2), **27**; S.I. 2023/1382, reg. 4(c)

C1616 Sch. 1ZA para. 21 modified (20.4.2015 for specified purposes, 21.12.2015 for specified purposes, 21.3.2016 in so far as not already in force) by The Mortgage Credit Directive Order 2015 (S.I. 2015/910), arts. 1(5), **23(5)** (with Pt. 4)

C1617 Sch. 1ZA para. 21 modified (31.12.2020) by The Credit Rating Agencies (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/266), regs. 1(3), **14(4)** (with savings in S.I. 2019/680, **reg. 11**); 2020 c. 1, **Sch. 5 para. 1(1)**

22 (1) The scheme details must be published by the FCA in the way appearing to it to be best calculated to bring them to the attention of the public.

(2) Before making the financial penalty scheme, the FCA must publish a draft of the proposed scheme in the way appearing to the FCA to be best calculated to bring it to the attention of the public.

(3) The draft must be accompanied by notice that representations about the proposals may be made to the FCA within a specified time.

(4) Before making the scheme, the FCA must have regard to any representations made to it in accordance with sub-paragraph (3).

(5) If the FCA makes the proposed scheme, it must publish an account, in general terms, of—

(a) the representations made to it in accordance with sub-paragraph (3), and

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(b) its response to them.

(6) If the scheme differs from the draft published under sub-paragraph (2) in a way which is, in the opinion of the FCA, significant, the FCA must (in addition to complying with sub-paragraph (5)) publish details of the difference.

(7) The FCA must, without delay, give the Treasury a copy of any scheme details published by it.

(8) The FCA may charge a reasonable fee for providing a person with a copy of—

(a) a draft published under sub-paragraph (2);

(b) scheme details.

(9) Sub-paragraphs (2) to (6) and (8)(a) also apply to a proposal to alter or replace the financial penalty scheme.

Modifications etc. (not altering text)

C1599 Sch. 1ZA paras. 19-22 applied (with modifications) (E.W.) (9.7.2013) by The Legal Aid, Sentencing and Punishment of Offenders Act 2012 (Referral Fees) Regulations 2013 (S.I. 2013/1635), regs. 1, **7(2)**

C1600 Sch. 1ZA paras. 19-22 applied (with modifications) (12.12.2014) by The Immigration Act 2014 (Bank Accounts) Regulations 2014 (S.I. 2014/3085), regs. 1, **6**

C1601 Sch. 1ZA paras. 19-23 applied (with modifications) (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 1 para. 25(1)** (with reg. 7)

C1602 Sch. 1ZA paras. 19-23 applied (with modifications) (3.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Data Reporting Services Regulations 2017 (S.I. 2017/699), regs. 1(2)(a)(b), **40**

C1603 Sch. 1ZA paras. 19-23 applied (with modifications) (1.1.2018) by The Packaged Retail and Insurance-based Investment Products Regulations 2017 (S.I. 2017/1127), reg. 1, **Sch. 1 para. 9**

C1604 Sch. 1ZA paras. 19-23 applied (with modifications) (27.2.2018) by The Financial Services and Markets Act 2000 (Benchmarks) Regulations 2018 (S.I. 2018/135), regs. 1(2), **26**

C1605 Sch. 1ZA paras. 19-23 applied (with modifications) (1.1.2019) by The Securitisation Regulations 2018 (S.I. 2018/1288), reg. 1, **Sch. 1 para. 11** (with Sch. 1 paras. 13, 14)

C1606 Sch. 1ZA paras. 19-22 applied (with modifications) (10.6.2019) by The Proxy Advisors (Shareholders Rights) Regulations 2019 (S.I. 2019/926), regs. 1, **20**, 28

C1611 Sch. 1ZA paras. 19-22 applied (with modifications) (14.1.2025 for specified purposes) by The Short Selling Regulations 2025 (S.I. 2025/29), regs. 2(2)(3), 24, 25, 26, Sch. 1 Pts. 1, 2, **3**

C1615 Sch. 1ZA paras. 19-23 applied (with modifications) (5.4.2024) by The Data Reporting Services Regulations 2024 (S.I. 2024/107), regs. 1(2), **27**; S.I. 2023/1382, reg. 4(c)

Fees

23 (1) The FCA may make rules providing for the payment to it of such fees, in connection with the discharge of any of its qualifying functions, as it considers will (taking account of its expected income from fees and charges provided for by any other provision of this Act **[**[F3535]other than sections **[**[F3536]137SA,**]****[**[F3537], 137SB**]**[F3538]... **[**[F3539]and 333T**]]**) enable it—

(a) to meet expenses incurred in carrying out its functions **[**[F3540], other than its excepted functions,**]** or for any incidental purpose,

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(b) to repay the principal of, and pay any interest on, any relevant borrowing and to meet relevant commencement expenses, and

(c) to maintain adequate reserves.

(2) The "qualifying functions" of the FCA are—

(a) its functions under or as a result of this Act or any of the **[**F3541other enactments mentioned in section 1A(6)(a) to (ca)**][**F3542and (e)**][**F3543but not its excepted functions**]**, and

(b) its functions under or as a result of a **[**F3544qualifying provision**]** that is specified, or of a description specified, for the purposes of this sub-paragraph by the Treasury by order.

[The "excepted functions" of the FCA are—

F3545(2ZA) F3546(a) . . . . . .

(b) its functions under **[**F3547section 333T**]** so far as relating to the collection of payments. **[**F3548, and

(c) its functions under **[**F3549sections 137SA and 137SB**].][]**

[The functions referred to in sub-paragraph (1)(a) include functions of the FCA under
F3550(2A) the Competition Act 1998 or the Enterprise Act 2002 as a result of Part 16A of this Act; but this sub-paragraph is not to be regarded as limiting the effect of the definition of "functions" in paragraph 1.**]**

(3) In sub-paragraph (1)(b)—

"relevant borrowing" means any money borrowed by the FCA which has been used for the purpose of meeting expenses incurred in relation to its assumption of functions under this Act, and

"relevant commencement expenses" means expenses incurred by the FCA—

(a) in preparation for the exercise of functions by the FCA under this Act, or

(b) for the purpose of facilitating the exercise by the FCA of those functions or otherwise in connection with their exercise by it.

(4) Neither section 1A(6)(d) nor the definition of "functions" in paragraph 1 applies for the purposes of sub-paragraph (2).

(5) For the purposes of sub-paragraph (3) it is irrelevant when the borrowing of the money, the incurring of the expenses or the assumption of functions took place (and, in particular, it is irrelevant if any of those things were done at a time when the FCA was known as the Financial Services Authority).

(6) In the case of rules made under Part 6 of this Act, the rules may, in particular, require the payment of fees in respect of—

(a) the continued inclusion of securities or persons in any list or register required to be kept by the FCA as a result of any provision made by or under that Part,

(b) access to any list or register within paragraph (a), and

(c) the continued admission of financial instruments to trading on a regulated market.

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

(7) In fixing the amount of any fee which is to be payable to the FCA, no account is to be taken of any sums which the FCA receives, or expects to receive, by way of penalties imposed by it under this Act.

(8) Any fee which is owed to the FCA under any provision made by or under this Act may be recovered as a debt due to the FCA.

Textual Amendments

F3535 Words in Sch. 1ZA para. 23(1) inserted (3.3.2015) by Pension Schemes Act 2015 (c. 8), s. 89(1)(a), **Sch. 3 para. 16(a)** (with s. 87)

F3536 Word in Sch. 1ZA para. 23(1) inserted (10.5.2018) by Financial Guidance and Claims Act 2018 (c. 10), s. 37(1)(e)(iv), **Sch. 3 para. 21(5)(a)(i)**

F3537 Word in Sch. 1ZA para. 23(1) inserted (1.10.2018) by Financial Guidance and Claims Act 2018 (c. 10), s. 37(5), **Sch. 3 para. 21(5)(a)(ii)**; S.I. 2018/1029, reg. 2(q)

F3538 Words in Sch. 1ZA para. 23(1) omitted (1.1.2019) by virtue of Financial Guidance and Claims Act 2018 (c. 10), s. 37(5), **Sch. 3 para. 21(5)(a)(iii)**; S.I. 2018/1330, reg. 2(g)(vi)

F3539 Words in Sch. 1ZA para. 23(1) substituted (6.7.2016) by Bank of England and Financial Services Act 2016 (c. 14), **ss. 29(6)(a)**, 41(3); S.I. 2016/627, reg. 2(1)(w)

F3540 Words in Sch. 1ZA para. 23(1)(a) inserted (3.3.2015) by Pension Schemes Act 2015 (c. 8), s. 89(1)(a), **Sch. 3 para. 16(b)** (with s. 87)

F3541 Words in Sch. 1ZA para. 23(2)(a) substituted (22.7.2013) by The Alternative Investment Fund Managers Regulations 2013 (S.I. 2013/1773), reg. 1, **Sch. 1 para. 33**

F3542 Words in Sch. 1ZA para. 23(2)(a) inserted (26.10.2018) by The Financial Regulators Powers (Technical Standards etc.) (Amendment etc.) (EU Exit) Regulations 2018 (S.I. 2018/1115), regs. 1(2), **7(9)(b)**

F3543 Words in Sch. 1ZA para. 23(2)(a) inserted (3.3.2015) by Pension Schemes Act 2015 (c. 8), s. 89(1)(a), **Sch. 3 para. 16(c)** (with s. 87)

F3544 Words in Sch. 1ZA para. 23(2)(b) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **93**; 2020 c. 1, Sch. 5 para. 1(1)

F3545 Sch. 1ZA para. 23(2ZA) inserted (3.3.2015) by Pension Schemes Act 2015 (c. 8), s. 89(1)(a), **Sch. 3 para. 16(d)** (with s. 87)

F3546 Sch. 1ZA para. 23(2ZA)(a) omitted (1.1.2019) by virtue of Financial Guidance and Claims Act 2018 (c. 10), s. 37(5), **Sch. 3 para. 21(5)(b)(i)**; S.I. 2018/1330, reg. 2(g)(vi)

F3547 Words in Sch. 1ZA para. 23(2ZA)(b) substituted (1.1.2019) by Financial Guidance and Claims Act 2018 (c. 10), s. 37(5), **Sch. 3 para. 21(5)(b)(ii)**; S.I. 2018/1330, reg. 2(g)(vi)

F3548 Sch. 1ZA para. 23(2ZA)(c) and word inserted (10.5.2018) by Financial Guidance and Claims Act 2018 (c. 10), s. 37(1)(e)(iv), **Sch. 3 para. 21(5)(b)(iii)**

F3549 Words in Sch. 1ZA para. 23(2ZA)(c) substituted (1.10.2018) by Financial Guidance and Claims Act 2018 (c. 10), s. 37(5), **Sch. 3 para. 21(5)(b)(iv)**; S.I. 2018/1029, reg. 2(q)

F3550 Sch. 1ZA para. 23(2A) inserted (1.11.2014) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 8 para. 7(3)**; S.I. 2014/2458, art. 2(b)(bb)(ii)

Modifications etc. (not altering text)

C1601 Sch. 1ZA paras. 19-23 applied (with modifications) (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 1 para. 25(1)** (with reg. 7)

C1602 Sch. 1ZA paras. 19-23 applied (with modifications) (3.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Data Reporting Services Regulations 2017 (S.I. 2017/699), regs. 1(2)(a)(b), **40**

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

C1603 Sch. 1ZA paras. 19-23 applied (with modifications) (1.1.2018) by The Packaged Retail and Insurance-based Investment Products Regulations 2017 (S.I. 2017/1127), reg. 1, **Sch. 1 para. 9**

C1604 Sch. 1ZA paras. 19-23 applied (with modifications) (27.2.2018) by The Financial Services and Markets Act 2000 (Benchmarks) Regulations 2018 (S.I. 2018/135), regs. 1(2), **26**

C1605 Sch. 1ZA paras. 19-23 applied (with modifications) (1.1.2019) by The Securitisation Regulations 2018 (S.I. 2018/1288), reg. 1, **Sch. 1 para. 11** (with Sch. 1 paras. 13, 14)

C1615 Sch. 1ZA paras. 19-23 applied (with modifications) (5.4.2024) by The Data Reporting Services Regulations 2024 (S.I. 2024/107), regs. 1(2), **27**; S.I. 2023/1382, reg. 4(c)

C1618 Sch. 1ZA para. 23 extended (with modifications) by S.I. 2012/3122, reg. 14 (as amended) (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 248(3)**

C1619 Sch. 1ZA para. 23 modified by S.I. 2009/209, reg. 92(1) (as amended) (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 155(3)(a)** (with Sch. 2 para. 156)

C1620 Sch. 1ZA para. 23 applied (with modifications) by S.I. 2008/346, Sch. para. 5 (as substituted (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 134(g)(iii)**)

C1621 Sch. 1ZA para. 23 extended (with modifications) by S.I. 2011/99, reg. 59(1) (as amended) (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 196(3)**

C1622 Sch. 1ZA para. 23 applied (with modifications) (12.12.2014) by The Immigration Act 2014 (Bank Accounts) Regulations 2014 (S.I. 2014/3085), regs. 1, **7**

C1623 Sch. 1ZA para. 23 modified (20.4.2015 for specified purposes, 21.12.2015 for specified purposes, 21.3.2016 in so far as not already in force) by The Mortgage Credit Directive Order 2015 (S.I. 2015/910), arts. 1(5), **25(a)** (with Pt. 4)

C1624 Sch. 1ZA para. 23 modified (1.1.2016) by The Small and Medium Sized Business (Credit Information) Regulations 2015 (S.I. 2015/1945), regs. 1(2), **21(1)**(2) (with reg. 21(3)(4))

C1625 Sch. 1ZA para. 23 applied (with modifications) (1.1.2016) by The Small and Medium Sized Business (Finance Platforms) Regulations 2015 (S.I. 2015/1946), regs. 1(2), **18(1)**(2) (with reg. 18(3)(4))

C1626 Sch. 1ZA para. 23 modified (18.9.2016) by The Payment Accounts Regulations 2015 (S.I. 2015/2038), regs. 1(2)(b), **39**

C1627 Sch. 1ZA para. 23 modified (13.8.2017) by The Payment Services Regulations 2017 (S.I. 2017/752), regs. 1(2)(a), **118(1)** (with reg. 3)

C1628 Sch. 1ZA para. 23 modified (10.5.2018) by Financial Guidance and Claims Act 2018 (c. 10), s. 37(1)(f), **Sch. 5 para. 13**

C1629 Sch. 1ZA para. 23 modified (E.W.) (6.10.2018) by Financial Guidance and Claims Act 2018 (c. 10), s. 37(5), **Sch. 4 para. 8(2)**; S.I. 2018/1045, reg. 2(b)

C1630 Sch. 1ZA para. 23 applied (with modifications) (10.6.2019) by The Proxy Advisors (Shareholders Rights) Regulations 2019 (S.I. 2019/926), regs. 1, **20**, 28

C1631 Sch. 1ZA para. 23(6) applied by 2009 c. 1, s. 39B(2) (as inserted (1.1.2015) by The Bank Recovery and Resolution Order 2014 (S.I. 2014/3329), arts. 1(2), **39**)

C1632 Sch. 1ZA para. 23(6) applied by 2009 c. 1, s. 48L(6A) (as inserted (1.1.2015) by The Bank Recovery and Resolution Order 2014 (S.I. 2014/3329), arts. 1(2), **53(6)**)

Services for which fees may not be charged

24 The power conferred by paragraph 23 may not be used to require—

F3551(a) . . . . . .

(b) a fee to be paid by any person whose application for approval under section 59 has been granted.

[a fee to be paid by any person whose application under section 309I for approval under section 309G has been granted.**]**

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F3552(c)

Textual Amendments

F3551 Sch. 1ZA para. 24(a) omitted (31.12.2020) by virtue of The EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018 (S.I. 2018/1149), reg. 1(3), **Sch. para. 21** (with reg. 4); 2020 c. 1, Sch. 5 para. 1(1)

F3552 Sch. 1ZA para. 24(c) inserted (29.6.2023 for specified purposes) by Financial Services and Markets Act 2023 (c. 29), s. 86(1)(e), **Sch. 10 para. 18(3)**

PART 4

MISCELLANEOUS

Modifications etc. (not altering text)

C1633 Sch. 1ZA Pt. 4 modified (26.6.2017) by The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (S.I. 2017/692), regs. 1(2), **46(9)**, 63(8) (with regs. 8, 15)

Exemption from liability in damages

25 (1) None of the following is to be liable in damages for anything done or omitted in the discharge, or purported discharge, of the FCA's functions—

(a) the FCA;

(b) any person ("P") who is, or is acting as, a member, officer or member of staff of the FCA;

(c) any person who could be held vicariously liable for things done or omitted by P, but only in so far as the liability relates to P's conduct.

[In sub-paragraph (1) the reference to the FCA's functions includes its functions under

F3553(1A) **[** F3554(a)**]** Part 5 of the Financial Services (Banking Reform) Act 2013 (regulation of payment systems),

[F3555(b) Part 3 of the Finance Act 2022 (economic crime (anti-money laundering) levy).**]]**

(2) Anything done or omitted by a person mentioned in sub-paragraph (1)(a) or (b) while acting, or purporting to act, as a result of an appointment under any of sections 166 to 169 is to be taken for the purposes of sub-paragraph (1) to have been done or omitted in the discharge, or as the case may be purported discharge, of the FCA's functions.

(3) Sub-paragraph (1) does not apply—

(a) if the act or omission is shown to have been in bad faith, or

(b) so as to prevent an award of damages made in respect of an act or omission on the ground that the act or omission was unlawful as a result of section 6(1) of the Human Rights Act 1998.

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Textual Amendments

F3553 Sch. 1ZA para. 25(1A) inserted (1.3.2014) by Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 109(1)**, 148(5); S.I. 2014/377, art. 2(1)(a), Sch. Pt. 1

F3554 Words in Sch. 1ZA para. 25(1A) renumbered as Sch. 1ZA para. 25(1A)(a) (with effect in accordance with reg. 1(2) of the amending S.I.) by The Economic Crime (Anti-Money Laundering) Levy (Amendment) Regulations 2023 (S.I. 2023/369), regs. 1(2), **13(a)**

F3555 Sch. 1ZA para. 25(1A)(b) inserted (with effect in accordance with reg. 1(2) of the amending S.I.) by The Economic Crime (Anti-Money Laundering) Levy (Amendment) Regulations 2023 (S.I. 2023/369), regs. 1(2), **13(b)**

Modifications etc. (not altering text)

C1634 Sch. 1ZA para. 25 applied (20.2.2013) by The Financial Services Act 2012 (Transitional Provisions) (Rules and Miscellaneous Provisions) Order 2013 (S.I. 2013/161), arts. 1(1), **7(3)(c)**

C1635 Sch. 1ZA para. 25 modified by S.I. 2008/346, reg. 45 (as amended) (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 134(f)**

C1636 Sch. 1ZA para. 25 applied by S.I. 2012/3122, reg. 16 (as amended) (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 248(4)**

C1637 Sch. 1ZA para. 25 extended by S.I. 2011/99, reg. 61 (as amended) (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 196(4)**

C1638 Sch. 1ZA para. 25 modified by S.I. 2009/209, reg. 94 (as amended) (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472), **Sch. 2 para. 155(4)** (with Sch. 2 para. 156)

C1639 Sch. 1ZA para. 25 modified (E.W.) (9.7.2013) by The Legal Aid, Sentencing and Punishment of Offenders Act 2012 (Referral Fees) Regulations 2013 (S.I. 2013/1635), regs. 1, **8**

C1640 Sch. 1ZA para. 25 applied (with modifications) (12.12.2014) by The Immigration Act 2014 (Bank Accounts) Regulations 2014 (S.I. 2014/3085), regs. 1, **8**

C1641 Sch. 1ZA para. 25 modified (20.4.2015 for specified purposes, 21.12.2015 for specified purposes, 21.3.2016 in so far as not already in force) by The Mortgage Credit Directive Order 2015 (S.I. 2015/910), arts. 1(5), **25(b)** (with Pt. 4)

C1642 Sch. 1ZA para. 25 modified (1.1.2016) by The Small and Medium Sized Business (Credit Information) Regulations 2015 (S.I. 2015/1945), regs. 1(2), **22**

C1643 Sch. 1ZA para. 25 modified (18.9.2016) by The Payment Accounts Regulations 2015 (S.I. 2015/2038), regs. 1(2)(b), **41**

C1644 Sch. 1ZA para. 25 applied (with modifications) (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 1 para. 25** (with reg. 7)

C1645 Sch. 1ZA para. 25 applied (with modifications) (3.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Data Reporting Services Regulations 2017 (S.I. 2017/699), regs. 1(2)(a)(b), **40**

C1646 Sch. 1ZA para. 25 modified (13.8.2017) by The Payment Services Regulations 2017 (S.I. 2017/752), regs. 1(2)(a), **121** (with reg. 3)

C1647 Sch. 1ZA para. 25 modified (1.1.2018) by The Packaged Retail and Insurance-based Investment Products Regulations 2017 (S.I. 2017/1127), reg. 1, **Sch. 1 para. 10**

C1648 Sch. 1ZA para. 25 applied (with modifications) (27.2.2018) by The Financial Services and Markets Act 2000 (Benchmarks) Regulations 2018 (S.I. 2018/135), regs. 1(2), **26**

C1649 Sch. 1ZA para. 25 modified by S.I. 2018/1149, reg. 65 (as inserted (1.3.2019) by The Financial Services Contracts (Transitional and Saving Provision) (EU Exit) Regulations 2019 (S.I. 2019/405), regs. 1(2), **3**)

Status: *This version of this Act contains provisions that are prospective.*
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C1650 Sch. 1ZA para. 25 applied (with modifications) (10.6.2019) by The Proxy Advisors (Shareholders Rights) Regulations 2019 (S.I. 2019/926), regs. 1, **20**, 28

C1651 Sch. 1ZA para. 25 applied (with modifications) (5.4.2024) by The Data Reporting Services Regulations 2024 (S.I. 2024/107), regs. 1(2), **27**; S.I. 2023/1382, reg. 4(c)

Accredited financial investigators

26 For the purposes of this Act anything done by an accredited financial investigator within the meaning of the Proceeds of Crime Act 2002 who—

(a) is, or is acting as, an officer of, or member of the staff of, the FCA, or

(b) is appointed by the FCA under section 97, 167 or 168 to conduct an investigation,

is to be treated as done in the exercise or discharge of a function of the FCA.

Amounts required by rules to be paid to the FCA

27 Any amount (other than a fee) which is required by rules to be paid to the FCA may be recovered as a debt due to the FCA.

I[F3556 Engagement with Parliamentary Committees

Textual Amendments

F3556 Sch. 1ZA paras. 28, 29 and cross-heading inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 38(2)**, 86(3); S.I. 2023/779, reg. 4(bb)

28 (1) This paragraph applies where the FCA issues a relevant consultation.

(2) For the purposes of this paragraph the FCA issues a relevant consultation if it—

(a) publishes a draft of proposed rules under section 138I,

(b) publishes a proposal under a duty imposed by another provision of this Act or by any other enactment, or

(c) publishes other proposals about the exercise of any of its general functions.

(3) The FCA must, as soon as reasonably practicable after issuing the consultation, notify in writing the chair of each relevant Parliamentary Committee that the consultation has been issued.

(4) The notification must specify the parts of the consultation (if any) that address the ways in which the proposals subject to consultation—

(a) advance the FCA's operational objectives,

(b) are compatible with the FCA's strategic objective,

(c) demonstrate that the FCA has had regard to the regulatory principles in section 3B when preparing the proposals, and

(d) engage with matters to which the FCA must have regard under regulations made under section 138EA.

(5) The reference in sub-paragraph (4)(a) to the FCA's operational objectives includes, in its application as a secondary objective, the competitiveness and growth objective (see section 1EB).

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(6) The notification must also specify any other part of the consultation which the FCA considers should be drawn to the attention of the relevant Parliamentary Committees.

(7) References in this paragraph to the relevant Parliamentary Committees are references to—

(a) the Treasury Committee of the House of Commons,

(b) the Committee of the House of Lords which—

(i) is charged with responsibility by that House for the purposes of this paragraph, and

(ii) has notified the FCA that it is a relevant Parliamentary Committee for those purposes, and

(c) the Joint Committee of both Houses which—

(i) is charged with responsibility by those Houses for the purposes of this paragraph, and

(ii) has notified the FCA that it is a relevant Parliamentary Committee for those purposes.

(8) References in this paragraph to the Treasury Committee of the House of Commons—

(a) if the name of that Committee is changed, are references to that Committee by its new name, and

(b) if the functions of that Committee (or substantially corresponding functions) become functions of a different Committee of the House of Commons, are to be treated as references to the Committee by which the functions are exercisable.

(9) Any question arising under sub-paragraph (8) is to be determined by the Speaker of the House of Commons.

29 (1) This paragraph applies where—

(a) the FCA issues a public consultation, and

(b) a Committee of the House of Commons or the House of Lords, or a joint Committee of both Houses, has provided to the FCA representations in response to the consultation.

(2) For the purposes of this paragraph, the FCA issues a public consultation if it publishes the draft of any proposals for the purpose of bringing them to the attention of the public (whether or not under a duty to do so imposed by an enactment).

(3) The FCA must give to the chair of the Committee concerned a written response to the representations.

(4) The duty to respond imposed by sub-paragraph (3) applies only so far as the FCA would not be under a corresponding duty to do so imposed by another enactment.

(5) The FCA is not required under sub-paragraph (3) to provide any information whose publication would in the opinion of the FCA be against the public interest.**]**

Status: *This version of this Act contains provisions that are prospective.*
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SCHEDULE 1ZB

Section [F3557 2AB]

THE PRUDENTIAL REGULATION AUTHORITY

Textual Amendments

F3557 Word in Sch. 1ZB shoulder note substituted (1.3.2017) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 50(2)** (with Sch. 3); S.I. 2017/43, reg. 2(g)

PART 1

GENERAL

Interpretation

1 In this Schedule—

F3558 ...

"functions", in relation to the PRA, means functions conferred on the PRA by or under any provision of this Act (see section [F3559 2AB(3)] which affects the meaning of references to such functions).

Textual Amendments

F3558 Words in Sch. 1ZB para. 1 omitted (1.3.2017) by virtue of Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 50(3)(a)** (with Sch. 3); S.I. 2017/43, reg. 2(g)

F3559 Word in Sch. 1ZB para. 1 substituted (1.3.2017) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 50(3)(b)** (with Sch. 3); S.I. 2017/43, reg. 2(g)

Constitution

F3560 2 . . . . . .

Textual Amendments

F3560 Sch. 1ZB paras. 2-16 omitted (1.3.2017) by virtue of Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 50(4)** (with Sch. 3); S.I. 2017/43, reg. 2(g)

F3560 3 . . . . . .

Textual Amendments

F3560 Sch. 1ZB paras. 2-16 omitted (1.3.2017) by virtue of Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 50(4)** (with Sch. 3); S.I. 2017/43, reg. 2(g)

F3560 4 . . . . . .

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Textual Amendments

F3560 Sch. 1ZB paras. 2-16 omitted (1.3.2017) by virtue of Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 50(4)** (with Sch. 3); S.I. 2017/43, reg. 2(g)

F3560 5 . . . . . .

Textual Amendments

F3560 Sch. 1ZB paras. 2-16 omitted (1.3.2017) by virtue of Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 50(4)** (with Sch. 3); S.I. 2017/43, reg. 2(g)

Appointed members of governing body

F3560 6 . . . . . .

Textual Amendments

F3560 Sch. 1ZB paras. 2-16 omitted (1.3.2017) by virtue of Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 50(4)** (with Sch. 3); S.I. 2017/43, reg. 2(g)

F3560 7 . . . . . .

Textual Amendments

F3560 Sch. 1ZB paras. 2-16 omitted (1.3.2017) by virtue of Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 50(4)** (with Sch. 3); S.I. 2017/43, reg. 2(g)

F3560 8 . . . . . .

Textual Amendments

F3560 Sch. 1ZB paras. 2-16 omitted (1.3.2017) by virtue of Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 50(4)** (with Sch. 3); S.I. 2017/43, reg. 2(g)

F3560 9 . . . . . .

Textual Amendments

F3560 Sch. 1ZB paras. 2-16 omitted (1.3.2017) by virtue of Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 50(4)** (with Sch. 3); S.I. 2017/43, reg. 2(g)

F3560 10 . . . . . .

Textual Amendments

F3560 Sch. 1ZB paras. 2-16 omitted (1.3.2017) by virtue of Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 50(4)** (with Sch. 3); S.I. 2017/43, reg. 2(g)

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F3560 11 . . . . . .

Textual Amendments

F3560 Sch. 1ZB paras. 2-16 omitted (1.3.2017) by virtue of Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 50(4)** (with Sch. 3); S.I. 2017/43, reg. 2(g)

F3560 12 . . . . . .

Textual Amendments

F3560 Sch. 1ZB paras. 2-16 omitted (1.3.2017) by virtue of Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 50(4)** (with Sch. 3); S.I. 2017/43, reg. 2(g)

F3560 13 . . . . . .

Textual Amendments

F3560 Sch. 1ZB paras. 2-16 omitted (1.3.2017) by virtue of Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 50(4)** (with Sch. 3); S.I. 2017/43, reg. 2(g)

F3560 14 . . . . . .

Textual Amendments

F3560 Sch. 1ZB paras. 2-16 omitted (1.3.2017) by virtue of Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 50(4)** (with Sch. 3); S.I. 2017/43, reg. 2(g)

Terms of service

F3560 15 . . . . . .

Textual Amendments

F3560 Sch. 1ZB paras. 2-16 omitted (1.3.2017) by virtue of Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 50(4)** (with Sch. 3); S.I. 2017/43, reg. 2(g)

Arrangements for discharging functions

F3560 16 . . . . . .

Textual Amendments

F3560 Sch. 1ZB paras. 2-16 omitted (1.3.2017) by virtue of Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 50(4)** (with Sch. 3); S.I. 2017/43, reg. 2(g)

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Records

17 The PRA must maintain satisfactory arrangements for—

(a) recording decisions made in the exercise of its functions, and

(b) the safe-keeping of those records which it considers ought to be preserved.

Budget

F3561 18 . . . . . .

Textual Amendments

F3561 Sch. 1ZB para. 18 omitted (1.3.2017) by virtue of Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 50(4)** (with Sch. 3); S.I. 2017/43, reg. 2(g)

Annual report

19 (1) At least once a year the PRA must make a report to the **[**F3562Chancellor of the Exchequer**]** on—

(a) the discharge of its functions,

(b) the extent to which, in its opinion, its objectives have been advanced,

[how it has complied with section 2H(1),**]**

F3563(ba)

[how it has complied with the statement of policy on panel appointments F3564(bb) prepared under section 2NA in relation to the process for making appointments and the matters considered in determining who is appointed,**]**

(c) its consideration of the principles in section 3B F3565...,

(d) how it has complied with section 3D,

(e) any direction given under section 3I or 3J during the period to which the report relates,

[how it has satisfied the requirement in section 138EA(2) so far as F3566(ea) regarding disclosure requirements in connection with matters relating to sustainability**]**,

(f) how it has complied with section 354B(1) so far as relating to co-operation with persons outside the United Kingdom, F3567...

[any engagement with the statutory panels of the FCA, the PRA or the F3568(fa) Payment Systems Regulator,**]**

[how it has satisfied the requirement in section 416B to have regard to any F3569(fb) SDR policy statement of the Treasury under section 416A (sustainability disclosure requirements: policy statement), and**]**

(g) such other matters as the Treasury may from time to time direct.

[In the report the PRA must also report in general terms on—

F3570(1A) (a) the extent to which, in its opinion, ring-fenced bodies have complied with the ring-fencing provisions,

(b) steps taken by ring-fenced bodies in order to comply with the ring-fencing provisions,

(c) steps taken by it to enforce the ring-fencing provisions,

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(d) the extent to which ring-fenced bodies are carrying on the regulated activity of dealing in investments as principal (whether in the United Kingdom or elsewhere) in circumstances where as a result of an order under section 142D(2) that activity is not an excluded activity,

(e) the extent to which ring-fenced bodies are carrying on activities that would be excluded activities by virtue of an order under section 142D(4) but for an exemption or exclusion made by such an order,

(f) the extent to which ring-fenced bodies are doing things that they would be prohibited from doing by an order under section 142E but for an exemption made by such an order, and

(g) the extent to which ring-fenced bodies appear to it to have acted in accordance with any guidance which it has given to ring-fenced bodies and which relates to the operation of the ring-fencing provisions.

(1B) In sub-paragraph (1A)—

(a) references to "ring-fenced bodies" relate only to ring-fenced bodies that are PRA-authorised persons, and

(b) "the ring-fencing provisions" means ring-fencing rules and the duty imposed as a result of section 142G.**]**

(2) **[**F3571Sub-paragraphs (1) and (1A) do not**]** require the inclusion in the report of any information whose publication would in the opinion of the PRA be against the public interest.

(3) The report must be accompanied by—

F3572(a) . . . . . .

(b) such other reports or information, prepared by such persons, as the Treasury may from time to time direct.

(4) The **[**F3573Chancellor of the Exchequer**]** must lay before Parliament a copy of each report received by **[**F3574the Chancellor**]** under this paragraph.

[The Chancellor may comply with sub-paragraph (4) by laying a document containing
F3575(5) a report under this paragraph together with a report under section 4 of the Bank of England Act 1998.**]**

[F3576(6) In this paragraph "statutory panel" has the meaning given in section 1RB(5).**]**

Textual Amendments

F3562 Words in Sch. 1ZB para. 19(1) substituted (1.3.2017) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 50(5)(a)** (with Sch. 3); S.I. 2017/43, reg. 2(g)

F3563 Sch. 1ZB para. 19(1)(ba) inserted (1.3.2014) by Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 130(3)(a)(i)**, 148(5); S.I. 2014/377, art. 2(1)(a), Sch. Pt. 1

F3564 Sch. 1ZB para. 19(1)(bb) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 37(5)(a)**, 86(3); S.I. 2023/779, reg. 4(aa)

F3565 Words in Sch. 1ZB para. 19(1)(c) omitted (1.3.2014) by virtue of Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 130(3)(a)(ii)**, 148(5); S.I. 2014/377, art. 2(1)(a), Sch. Pt. 1

F3566 Sch. 1ZB para. 19(1)(ea) inserted (1.1.2024) by Financial Services and Markets Act 2023 (c. 29), **ss. 21(4)(a)**, 86(3); S.I. 2023/1382, reg. 9(1)(a)

F3567 Word in Sch. 1ZB para. 19(1)(f) omitted (29.8.2023) by virtue of Financial Services and Markets Act 2023 (c. 29), **ss. 37(5)(b)**, 86(3); S.I. 2023/779, reg. 4(aa)

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F3568 Sch. 1ZB para. 19(1)(fa) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 37(5)(c)**, 86(3); S.I. 2023/779, reg. 4(aa)
F3569 Sch. 1ZB para. 19(1)(fb) inserted (1.1.2024) by Financial Services and Markets Act 2023 (c. 29), **ss. 21(4)(b)**, 86(3); S.I. 2023/1382, reg. 9(1)(a)
F3570 Sch. 1ZB para. 19(1A)(1B) inserted (1.1.2019) by Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 5(2)**, 148(5); S.I. 2018/1306, art. 2(e)
F3571 Words in Sch. 1ZB para. 19(2) substituted (1.1.2019) by Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 5(3)**, 148(5); S.I. 2018/1306, art. 2(e)
F3572 Sch. 1ZB para. 19(3)(a) omitted (1.3.2017) by virtue of Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 50(5)(b)** (with Sch. 3); S.I. 2017/43, reg. 2(g)
F3573 Words in Sch. 1ZB para. 19(4) substituted (1.3.2017) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 50(5)(c)(i)** (with Sch. 3); S.I. 2017/43, reg. 2(g)
F3574 Words in Sch. 1ZB para. 19(4) substituted (1.3.2017) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 50(5)(c)(ii)** (with Sch. 3); S.I. 2017/43, reg. 2(g)
F3575 Sch. 1ZB para. 19(5) inserted (1.3.2017) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 50(5)(d)** (with Sch. 3); S.I. 2017/43, reg. 2(g)
F3576 Sch. 1ZB para. 19(6) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 37(6)**, 86(3); S.I. 2023/779, reg. 4(aa)

Modifications etc. (not altering text)
C1652 Sch. 1ZB para. 19 applied (14.11.2018) by The Central Counterparties (Amendment, etc., and Transitional Provision) (EU Exit) Regulations 2018 (S.I. 2018/1184), regs. 1(3), **25**
C1653 Sch. 1ZB para. 19 applied (with modifications) (30.9.2020) by The Equivalence Determinations for Financial Services (Amendment etc.) (EU Exit) Regulations 2020 (S.I. 2020/1055), regs. 1(2), **6(1)**(2)(6)
C1654 Sch. 1ZB para. 19(1) applied (with modifications) (1.4.2013) by The Financial Services Act 2012 (Transitional Provisions) (Miscellaneous Provisions) Order 2013 (S.I. 2013/442), arts. 1(3), **4(2)**

Consultation about annual report

20 (1) In relation to each report made under paragraph 19, the PRA must publish at the same time as the report an invitation to members of the public to make representations to the PRA, within the 3 months beginning with the date of publication—

(a) about the report,

(b) about the way in which the PRA has discharged, or failed to discharge, its functions during the period to which the report relates, and

(c) about the extent to which, in their opinion, the PRA's objectives have been advanced **[**[F3577]**[**[F3578]including its secondary objectives under**]** section 2H and has considered the regulatory principles in section 3B**]** .

(2) The invitation must be published in the way appearing to it to be best calculated to bring the invitation to the attention of the public.

Textual Amendments
F3577 Words in Sch. 1ZB para. 20(1)(c) substituted (1.3.2014) by Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 130(3)(b)**, 148(5); S.I. 2014/377, art. 2(1)(a), Sch. Pt. 1
F3578 Words in Sch. 1ZB para. 20(1)(c) substituted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 28(11)**, 86(3); S.I. 2023/779, reg. 4(s)

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Report on consultation

21 (1) The PRA must publish a report about its consultation in accordance with paragraph 20.

(2) The report must contain an account, in general terms, of any representations received in pursuance of the invitation published under that paragraph.

(3) The report must be published not later than 4 months after the date on which the report under paragraph 19 was published.

I[F3579 Other reports

Textual Amendments

F3579 Sch. 1ZB para. 21A and cross-heading inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 39(3)**, 86(3); S.I. 2023/779, reg. 4(cc)

21A (1) The Treasury may (subject to this paragraph) at any time by direction require the PRA to publish a report containing information about—

(a) any of the matters mentioned in paragraphs (a) to (f) of paragraph 19(1);

(b) such other matters that the direction may specify.

(2) The Treasury may give a direction under this paragraph requiring information to be published only if the Treasury consider that—

(a) the information is reasonably necessary for the purpose of reviewing and scrutinising the discharge of the PRA's functions, and

(b) other available information is not sufficient to meet that purpose.

(3) Subject to sub-paragraph (4), the PRA must publish a report prepared under a direction given under this paragraph in such manner, and within such period, as the direction may require.

(4) Nothing in this paragraph requires the inclusion in the report of any information whose publication would be against the public interest.

(5) A direction under this paragraph may not—

(a) require a report to be published more than once in each quarter;

(b) require the publication of information that is confidential information for the purposes of Part 23 (see section 348(2)).

(6) The Treasury must consult the PRA before giving a direction under this paragraph.

(7) In exercising the power under this paragraph, the Treasury must have regard to the desirability of minimising any adverse effect that the preparation of the report required in accordance with the direction may have on the exercise by the PRA of any of its other functions.

(8) The Treasury must—

(a) lay before Parliament a copy of a direction given under this paragraph, and

(b) publish the direction in such manner as the Treasury think fit.

(9) A direction under this paragraph may be varied or revoked by the giving of a further direction.**]**

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Accounts and audit

F3580 22 . . . . . .

Textual Amendments

F3580 Sch. 1ZB paras. 22-26 omitted (1.3.2017) by virtue of Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 50(6)** (with Sch. 3); S.I. 2017/43, reg. 3(1) (with reg. 3(2)(3))

F3580 23 . . . . . .

Textual Amendments

F3580 Sch. 1ZB paras. 22-26 omitted (1.3.2017) by virtue of Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 50(6)** (with Sch. 3); S.I. 2017/43, reg. 3(1) (with reg. 3(2)(3))

PART 2

STATUS

Status

F3580 24 . . . . . .

Textual Amendments

F3580 Sch. 1ZB paras. 22-26 omitted (1.3.2017) by virtue of Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 50(6)** (with Sch. 3); S.I. 2017/43, reg. 3(1) (with reg. 3(2)(3))

Exemption from requirement for use of "limited" in name of PRA

F3580 25 . . . . . .

Textual Amendments

F3580 Sch. 1ZB paras. 22-26 omitted (1.3.2017) by virtue of Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 50(6)** (with Sch. 3); S.I. 2017/43, reg. 3(1) (with reg. 3(2)(3))

F3580 26 . . . . . .

Textual Amendments

F3580 Sch. 1ZB paras. 22-26 omitted (1.3.2017) by virtue of Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 50(6)** (with Sch. 3); S.I. 2017/43, reg. 3(1) (with reg. 3(2)(3))

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PART 3

PENALTIES AND FEES

Penalties

27 In determining its policy with respect to the amounts of penalties to be imposed by it under this Act, the PRA must take no account of the expenses which it incurs, or expects to incur, in discharging its functions.

Modifications etc. (not altering text)

C1655 Sch. 1ZB paras. 27-31 applied (with modifications) (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 1 para. 26** (with reg. 7)

C1656 Sch. 1ZB paras. 27-31 applied (with modifications) (1.1.2019) by The Securitisation Regulations 2018 (S.I. 2018/1288), reg. 1, **Sch. 1 para. 12** (with Sch. 1 paras. 13, 14)

C1657 Sch. 1ZB paras. 27-30 applied (with modifications) (30.1.2024 for specified purposes, 1.11.2024 in so far as not already in force) by The Securitisation Regulations 2024 (S.I. 2024/102), reg. 2(1)(e)(2), **Sch. 1 para. 17** (with reg. 52(3), Sch. 3); as amended by S.I. 2024/705, regs. 1(2), 2(2)

28 (1) The PRA must in respect of each of its financial years pay to the Treasury its penalty receipts after deducting its enforcement costs.

(2) The PRA's "penalty receipts" in respect of a financial year are any amounts received by it during the year by way of penalties imposed under this Act.

(3) The PRA's "enforcement costs" in respect of a financial year are the expenses incurred by it during the year in connection with—

(a) the exercise, or consideration of the possible exercise, of any of its enforcement powers in particular cases, or

(b) the recovery of penalties imposed under this Act.

(4) For this purpose the PRA's enforcement powers are—

(a) its powers under any of the provisions mentioned in section 133(7A),

(b) its powers under section 56 (prohibition orders),

(c) its powers under Part 25 of this Act (injunctions and restitution),

(d) its powers under any other enactment specified by the Treasury by order,

(e) its powers in relation to the investigation of relevant offences, and

(f) its powers in England and Wales or Northern Ireland in relation to the prosecution of relevant offences.

(5) "Relevant offences" are—

(a) offences under FSMA 2000,

(b) offences under subordinate legislation made under that Act, and

(c) any other offences specified by the Treasury by order.

(6) The Treasury may give directions to the PRA as to how the PRA is to comply with its duty under sub-paragraph (1).

(7) The directions may in particular—

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(a) specify descriptions of expenditure that are, or are not, to be regarded as incurred in connection with either of the matters mentioned in sub-paragraph (3),

(b) relate to the calculation and timing of the deduction in respect of the PRA's enforcement costs, and

(c) specify the time when any payment is required to be made to the Treasury.

(8) The directions may also require the PRA to provide the Treasury at specified times with information relating to—

(a) penalties that the PRA has imposed under FSMA 2000, or

(b) the PRA's enforcement costs.

(9) The Treasury must pay into the Consolidated Fund any sums received by them under this paragraph.

Modifications etc. (not altering text)

C1655 Sch. 1ZB paras. 27-31 applied (with modifications) (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 1 para. 26** (with reg. 7)

C1656 Sch. 1ZB paras. 27-31 applied (with modifications) (1.1.2019) by The Securitisation Regulations 2018 (S.I. 2018/1288), reg. 1, **Sch. 1 para. 12** (with Sch. 1 paras. 13, 14)

C1657 Sch. 1ZB paras. 27-30 applied (with modifications) (30.1.2024 for specified purposes, 1.11.2024 in so far as not already in force) by The Securitisation Regulations 2024 (S.I. 2024/102), reg. 2(1)(e)(2), **Sch. 1 para. 17** (with reg. 52(3), Sch. 3); as amended by S.I. 2024/705, regs. 1(2), 2(2)

C1658 Sch. 1ZB paras. 27-30 applied (with modifications) (30.1.2024 for specified purposes) by The Securitisation Regulations 2024 (S.I. 2024/102), reg. 2(1)(e)(2), **Sch. 1 para. 17** (with reg. 52(3), Sch. 3)

29 (1) The PRA must prepare and operate a scheme ("the financial penalty scheme") for ensuring that the amounts that, as a result of the deduction for which paragraph 28(1) provides, are retained by the PRA in respect of amounts paid to it by way of penalties imposed under this Act are applied for the benefit of PRA-authorised persons.

(2) The financial penalty scheme may, in particular, make different provision with respect to different classes of PRA-authorised person.

(3) The financial penalty scheme must ensure that those who have become liable to pay a penalty to the PRA in any financial year of the PRA do not receive any benefit under the scheme in the following financial year.

(4) Up-to-date details of the financial penalty scheme must be set out in a document ("the scheme details").

Modifications etc. (not altering text)

C1655 Sch. 1ZB paras. 27-31 applied (with modifications) (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 1 para. 26** (with reg. 7)

C1656 Sch. 1ZB paras. 27-31 applied (with modifications) (1.1.2019) by The Securitisation Regulations 2018 (S.I. 2018/1288), reg. 1, **Sch. 1 para. 12** (with Sch. 1 paras. 13, 14)

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C1657 Sch. 1ZB paras. 27-30 applied (with modifications) (30.1.2024 for specified purposes, 1.11.2024 in so far as not already in force) by The Securitisation Regulations 2024 (S.I. 2024/102), reg. 2(1)(e)(2), **Sch. 1 para. 17** (with reg. 52(3), Sch. 3); as amended by S.I. 2024/705, regs. 1(2), 2(2)

C1658 Sch. 1ZB paras. 27-30 applied (with modifications) (30.1.2024 for specified purposes) by The Securitisation Regulations 2024 (S.I. 2024/102), reg. 2(1)(e)(2), **Sch. 1 para. 17** (with reg. 52(3), Sch. 3)

30 (1) The scheme details must be published by the PRA in the way appearing to it to be best calculated to bring them to the attention of the public.

(2) Before making the financial penalty scheme, the PRA must publish a draft of the proposed scheme in the way appearing to the PRA to be best calculated to bring it to the attention of the public.

(3) The draft must be accompanied by notice that representations about the proposals may be made to the PRA within a specified time.

(4) Before making the scheme, the PRA must have regard to any representations made to it in accordance with sub-paragraph (3).

(5) If the PRA makes the proposed scheme, it must publish an account, in general terms, of—

(a) the representations made to it in accordance with sub-paragraph (3), and

(b) its response to them.

(6) If the scheme differs from the draft published under sub-paragraph (2) in a way which is, in the opinion of the PRA, significant, the PRA must (in addition to complying with sub-paragraph (5)) publish details of the difference.

(7) The PRA must, without delay, give the Treasury a copy of any scheme details published by it.

(8) The PRA may charge a reasonable fee for providing a person with a copy of—

(a) a draft published under sub-paragraph (2);

(b) scheme details.

(9) Sub-paragraphs (2) to (6) and (8)(a) also apply to a proposal to alter or replace the financial penalty scheme.

Modifications etc. (not altering text)

C1655 Sch. 1ZB paras. 27-31 applied (with modifications) (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 1 para. 26** (with reg. 7)

C1656 Sch. 1ZB paras. 27-31 applied (with modifications) (1.1.2019) by The Securitisation Regulations 2018 (S.I. 2018/1288), reg. 1, **Sch. 1 para. 12** (with Sch. 1 paras. 13, 14)

C1657 Sch. 1ZB paras. 27-30 applied (with modifications) (30.1.2024 for specified purposes, 1.11.2024 in so far as not already in force) by The Securitisation Regulations 2024 (S.I. 2024/102), reg. 2(1)(e)(2), **Sch. 1 para. 17** (with reg. 52(3), Sch. 3); as amended by S.I. 2024/705, regs. 1(2), 2(2)

C1658 Sch. 1ZB paras. 27-30 applied (with modifications) (30.1.2024 for specified purposes) by The Securitisation Regulations 2024 (S.I. 2024/102), reg. 2(1)(e)(2), **Sch. 1 para. 17** (with reg. 52(3), Sch. 3)

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Fees

31 (1) The PRA may make rules providing for the payment to it of such fees, in connection with the discharge of any of its qualifying functions, as it considers will (taking account of its expected income from fees and charges provided for by any other provision of this Act) enable it—

(a) to meet expenses incurred in carrying out its functions or for any incidental purpose,

(b) to repay the principal of, and pay any interest on, any relevant borrowing and to meet relevant commencement expenses, and

(c) to maintain adequate reserves.

(2) The "qualifying functions" of the PRA are—

(a) its functions under or as a result of this Act or any of the **[**F3581other enactments**]** mentioned in section **[**F3582paragraph 2AB(3)**]**, and

(b) its functions under or as a result of a **[**F3583qualifying provision**]** that is specified, or of a description specified, for the purposes of this sub-paragraph by the Treasury by order.

(3) In sub-paragraph (1)(b)—

"relevant borrowing" means any money borrowed by the PRA which has been used for the purpose of meeting expenses incurred in relation to its assumption of functions under this Act, and

"relevant commencement expenses" means expenses incurred by the PRA, the FCA or the Bank—

(a) in preparation for the exercise of functions by the PRA under this Act, or

(b) for the purpose of facilitating the exercise by the PRA of those functions or otherwise in connection with their exercise by it.

(4) Neither section **[**F3584paragraph 2AB(3)(d)**]** nor the definition of "functions" in paragraph 1 applies for the purposes of sub-paragraph (2).

(5) For the purposes of sub-paragraph (3) it is irrelevant when the borrowing of the money, the incurring of the expenses or the assumption of functions took place (and, in particular, it is irrelevant if expenses were incurred by the FCA at a time when it was known as the Financial Services Authority).

(6) In fixing the amount of any fee which is to be payable to the PRA, no account is to be taken of any sums which the PRA receives, or expects to receive, by way of penalties imposed by it under this Act.

(7) Any fee which is owed to the PRA under any provision made by or under this Act may be recovered as a debt due to the PRA.

Textual Amendments

F3581 Words in Sch. 1ZB para. 31(2)(a) substituted (26.10.2018) by The Financial Regulators Powers (Technical Standards etc.) (Amendment etc.) (EU Exit) Regulations 2018 (S.I. 2018/1115), regs. 1(2), **7(10)**

F3582 Word in Sch. 1ZB para. 31(2) substituted (1.3.2017) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 50(7)(a)** (with Sch. 3); S.I. 2017/43, reg. 2(g)

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

F3583 Words in Sch. 1ZB para. 31(2)(b) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **94**; 2020 c. 1, Sch. 5 para. 1(1)

F3584 Word in Sch. 1ZB para. 31(4) substituted (1.3.2017) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 50(7)(b)** (with Sch. 3); S.I. 2017/43, reg. 2(g)

Modifications etc. (not altering text)

C1655 Sch. 1ZB paras. 27-31 applied (with modifications) (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 1 para. 26** (with reg. 7)

C1656 Sch. 1ZB paras. 27-31 applied (with modifications) (1.1.2019) by The Securitisation Regulations 2018 (S.I. 2018/1288), reg. 1, **Sch. 1 para. 12** (with Sch. 1 paras. 13, 14)

Services for which fees may not be charged

32 The power conferred by paragraph 31 may not be used to require—

F3585 (a) . . . . . .

(b) a fee to be paid by any person whose application for approval under section 59 has been granted.

Textual Amendments

F3585 Sch. 1ZB para. 32(a) omitted (31.12.2020) by virtue of The EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018 (S.I. 2018/1149), reg. 1(3), **Sch. para. 22** (with reg. 4); 2020 c. 1, Sch. 5 para. 1(1)

PART 4

MISCELLANEOUS

Exemption from liability in damages

33 (1) None of the following is to be liable in damages for anything done or omitted in the discharge, or purported discharge, of the PRA's functions—

(a) the PRA;

(b) any person ("P") who is, or is acting as, a member, officer or member of staff of the PRA;

(c) any person who could be held vicariously liable for things done or omitted by P, but only in so far as the liability relates to P's conduct.

F3586 **[** (1A) In sub-paragraph (1) the reference to the PRA's functions includes its functions under Part 5 of the Financial Services (Banking Reform) Act 2013 (regulation of payment systems).**]**

(2) Anything done or omitted by a person mentioned in sub-paragraph (1)(a) or (b) while acting, or purporting to act, as a result of an appointment under any of sections 97, 166 to 169 **[**F3587, 284 and 377G**]** is to be taken for the purposes of sub-paragraph (1) to have been done or omitted in the discharge, or as the case may be purported discharge, of the PRA's functions.

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(3) Sub-paragraph (1) does not apply—

(a) if the act or omission is shown to have been in bad faith, or

(b) so as to prevent an award of damages made in respect of an act or omission on the ground that the act or omission was unlawful as a result of section 6(1) of the Human Rights Act 1998.

Textual Amendments

F3586 Sch. 1ZB para. 33(1A) inserted (1.3.2014) by Financial Services (Banking Reform) Act 2013 (c. 33), **ss. 109(2)**, 148(5); S.I. 2014/377, art. 2(1)(a), Sch. Pt. 1

F3587 Words in Sch. 1ZB para. 33(2) substituted (29.8.2023) by virtue of Financial Services and Markets Act 2023 (c. 29), s. 86(2)(e), **Sch. 12 para. 11**

Modifications etc. (not altering text)

C1659 Sch. 1ZB para. 33 applied (with modifications) (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 1 para. 26** (with reg. 7)

C1660 Sch. 1ZB para. 33 modified by S.I. 2018/1149, reg. 65 (as inserted (1.3.2019) by The Financial Services Contracts (Transitional and Saving Provision) (EU Exit) Regulations 2019 (S.I. 2019/405), regs. 1(2), **3**)

Accredited financial investigators

34 For the purposes of this Act anything done by an accredited financial investigator within the meaning of the Proceeds of Crime Act 2002 who—

(a) is, or is acting as, an officer of, or member of the staff of, the PRA, or

(b) is appointed by the PRA under section 167 or 168 to conduct an investigation,

is to be treated as done in the exercise or discharge of a function of the PRA.

Amounts required by rules to be paid to the PRA

35 Any amount (other than a fee) which is required by rules to be paid to the PRA may be recovered as a debt due to the PRA.**]**

[*F3588* *Engagement with Parliamentary Committees*

Textual Amendments

F3588 Sch. 1ZB paras. 36, 37 and cross-heading inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 38(3)**, 86(3) (with savings in The Financial Services and Markets Act 2023 (Commencement No. 2 and Transitional Provisions) Regulations 2023 (S.I. 2023/936), **reg. 4**); S.I. 2023/779, **reg. 4(bb)**

36 (1) This paragraph applies where the PRA issues a relevant consultation.

(2) For the purposes of this paragraph the PRA issues a relevant consultation if it—

(a) publishes a draft of proposed rules under section 138J,

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(b) publishes a proposal under a duty imposed by another provision of this Act or by any other enactment, or

(c) publishes other proposals about the exercise of any of its general functions.

(3) The PRA must, as soon as reasonably practicable after issuing the consultation, notify in writing the chair of each relevant Parliamentary Committee that the consultation has been issued.

(4) The notification must specify the parts of the consultation (if any) that address the ways in which the proposals subject to consultation—

(a) advance the PRA's objectives,

(b) demonstrate that the PRA has had regard to the regulatory principles in section 3B when preparing the proposals, and

(c) engage with matters to which the PRA must have regard under regulations made under section 138EA.

(5) The reference in sub-paragraph (4)(a) to the PRA's objectives includes, in their application as secondary objectives, the competition objective and the competitiveness and growth objective (see section 2H).

(6) The notification must also specify any other part of the consultation which the PRA considers should be drawn to the attention of the relevant Parliamentary Committees.

(7) References in this paragraph to the relevant Parliamentary Committees are references to—

(a) the Treasury Committee of the House of Commons,

(b) the Committee of the House of Lords which—

(i) is charged with responsibility by that House for the purposes of this paragraph, and

(ii) has notified the PRA that it is a relevant Parliamentary Committee for those purposes, and

(c) the Joint Committee of both Houses which—

(i) is charged with responsibility by those Houses for the purposes of this paragraph, and

(ii) has notified the PRA that it is a relevant Parliamentary Committee for those purposes.

(8) References in this paragraph to the Treasury Committee of the House of Commons—

(a) if the name of that Committee is changed, are references to that Committee by its new name, and

(b) if the functions of that Committee (or substantially corresponding functions) become functions of a different Committee of the House of Commons, are to be treated as references to the Committee by which the functions are exercisable.

(9) Any question arising under sub-paragraph (8) is to be determined by the Speaker of the House of Commons.

37 (1) This paragraph applies where—

(a) the PRA issues a public consultation, and

(b) a Committee of the House of Commons or the House of Lords, or a joint Committee of both Houses, has provided to the PRA representations in response to the consultation.

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(2) For the purposes of this paragraph, the PRA issues a public consultation if it publishes the draft of any proposals for the purpose of bringing the proposals to the attention of the public (whether or not under a duty to do so imposed by an enactment).

(3) The PRA must give to the chair of the Committee concerned a written response to the representations.

(4) The duty to respond imposed by sub-paragraph (3) applies only so far as the PRA would not be under a corresponding duty to do so imposed by another enactment.

(5) The PRA is not required under sub-paragraph (3) to provide any information whose publication would in the opinion of the PRA be against the public interest.**]**

[F3589]SCHEDULE 1A

Section 3S

. . . . . .

Textual Amendments

F3589 Sch. 1A omitted (6.4.2021) by virtue of Financial Guidance and Claims Act 2018 (c. 10), s. 37(5), **Sch. 3 para. 22**; S.I. 2021/433, reg. 2(b)(iv)

SCHEDULE 2

Section 22(2).

REGULATED ACTIVITIES

Modifications etc. (not altering text)

C1661 Sch. 2 applied by 1974 c. 39, **s. 16(6E)(c)** (as inserted (1.9.2002) by S.I. 2001/544, **arts. 2(1)(2)(b)**, 90(2); S.I. 2001/3538, **art. 2(1)**)

C1662 Sch. 2 applied by S.I. 2008/570, Sch. para. 11(2) (as substituted (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No. 2) Order 2013 (S.I. 2013/1881), art. 1(2)(6), **Sch. para. 35**)

C1663 Sch. 2 applied by S.I. 2012/2079 reg. 2(1A) (as inserted (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No. 2) Order 2013 (S.I. 2013/1881), art. 1(2)(6), **Sch. para. 44(a)(ii)**)

C1664 Sch. 2 applied by S.I. 2001/497, reg. 113(6) (as inserted (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No. 2) Order 2013 (S.I. 2013/1881), art. 1(2)(6), **Sch. para. 23(b)**)

C1665 Sch. 2 applied by S.S.I. 2011/141, Sch. 4 para. 1(2) (as substituted (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No. 2) Order 2013 (S.I. 2013/1881), art. 1(2)(6), **Sch. para. 43(a)**)

C1666 Sch. 2 applied by S.I. 2001/341, reg. 114(6) (as inserted (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No. 2) Order 2013 (S.I. 2013/1881), art. 1(2)(6), **Sch. para. 22(b)**)

C1667 Sch. 2 applied by S.I. 2004/400, reg. 5(7) (as inserted (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No. 2) Order 2013 (S.I. 2013/1881), art. 1(2)(6), **Sch. para. 25(b)**)

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C1668 Sch. 2 applied by S.I. 2008/1741, reg. 112(5) (as inserted (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No. 2) Order 2013 (S.I. 2013/1881), art. 1(2)(6), **Sch. para. 37(b)**)

C1669 Sch. 2 applied by S.I. 2007/2157, reg. 23(6) (as inserted (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No. 2) Order 2013 (S.I. 2013/1881), art. 1(2)(6), **Sch. para. 31(5)(b)**)

C1670 Sch. 2 applied by 2003 c. 1, s. 554O(6) (as inserted (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No. 2) Order 2013 (S.I. 2013/1881), art. 1(2)(6), **Sch. para. 9(c)**)

C1671 Sch. 2 applied by S.I. 2013/380, Sch. 6 para. 11(9) (as inserted (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No.2) Order 2013 (S.I. 2013/1881), art. 1(2)(6), **Sch. para. 45(b)**)

C1672 Sch. 2 applied by S.I. 2008/700, Sch. para. 12(2) (as substituted (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No. 2) Order 2013 (S.I. 2013/1881), art. 1(2)(6), **Sch. para. 36**)

C1673 Sch. 2 applied by 2007 c. 3, s. 564B(1A) (as inserted (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No. 2) Order 2013 (S.I. 2013/1881), art. 1(2)(6), **Sch. para. 12(b)**)

C1674 Sch. 2 applied by 2009 c. 4, **s. 502(1A)** (as inserted (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No. 2) Order 2013 (S.I. 2013/1881), art. 1(2)(6), **Sch. para. 16(b)**)

C1675 Sch. 2 applied (16.8.2013) by The Democratic People s Republic of Korea (European Union Financial Sanctions) Regulations 2013 (S.I. 2013/1877), regs. 1(1), **2(2)(c)** (with reg. 21)

C1676 Sch. 2 applied (8.8.2018) by The Republic of Maldives (Asset-Freezing) Regulations 2018 (S.I. 2018/861), regs. 1(1), **2(2)(c)** (with reg. 17)

C1677 Sch. 2 applied (31.12.2020) by The Syria (Sanctions) (EU Exit) Regulations 2019 (S.I. 2019/792), regs. 1(3), **23(2)**, 55(8), 70(4); 2020 c. 1, Sch. 5 para. 1(1)

C1678 Sch. 2 applied (31.12.2020) by The Russia (Sanctions) (EU Exit) Regulations 2019 (S.I. 2019/855), regs. 1(2), **58(8)**, 71(4); 2020 c. 1, Sch. 5 para. 1(1)

C1679 Sch. 2 applied (E.W.) (1.6.2023) by The Middlesbrough Development Corporation (Functions) Order 2023 (S.I. 2023/447), arts. 1(3), **16(8)**

C1680 Sch. 2 applied (E.W.) (1.6.2023) by The Hartlepool Development Corporation (Functions) Order 2023 (S.I. 2023/446), arts. 1(3), **16(8)**

C1681 Sch. 2 applied (10.10.2024) by The Trade, Aircraft and Shipping Sanctions (Civil Enforcement) Regulations 2024 (S.I. 2024/948), regs. 1(2), **15(1)** (with regs. 14, 29)

PART I

[F3590 REGULATED ACTIVITIES: GENERAL]

Textual Amendments

F3590 Sch. 2 Pt. 1 heading substituted (12.3.2009) by Dormant Bank and Building Society Accounts Act 2008 (c. 31), ss. 15, 31(1), **Sch. 2 para. 1(2)**; S.I. 2009/490, **art. 2** (with art. 3)

General

1 The matters with respect to which provision may be made under section 22(1) in respect of activities include, in particular, those described in general terms in this Part of this Schedule.

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Dealing in investments

2 (1) Buying, selling, subscribing for or underwriting investments or offering or agreeing to do so, either as a principal or as an agent.

(2) In the case of an investment which is a contract of insurance, that includes carrying out the contract.

Arranging deals in investments

3 Making, or offering or agreeing to make—

(a) arrangements with a view to another person buying, selling, subscribing for or underwriting a particular investment;

(b) arrangements with a view to a person who participates in the arrangements buying, selling, subscribing for or underwriting investments.

Deposit taking

4 Accepting deposits.

Safekeeping and administration of assets

5 (1) Safeguarding and administering assets belonging to another which consist of or include investments or offering or agreeing to do so.

(2) Arranging for the safeguarding and administration of assets belonging to another, or offering or agreeing to do so.

Managing investments

6 Managing, or offering or agreeing to manage, assets belonging to another person where—

(a) the assets consist of or include investments; or

(b) the arrangements for their management are such that the assets may consist of or include investments at the discretion of the person managing or offering or agreeing to manage them.

Investment advice

7 Giving or offering or agreeing to give advice to persons on—

(a) buying, selling, subscribing for or underwriting an investment; or

(b) exercising any right conferred by an investment to acquire, dispose of, underwrite or convert an investment.

Establishing collective investment schemes

8 Establishing, operating or winding up a collective investment scheme, including acting as—

(a) trustee of a unit trust scheme;

(b) depositary of a collective investment scheme other than a unit trust scheme; or

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(c) sole director of a body incorporated by virtue of regulations under section 262.

Using computer-based systems for giving investment instructions

9 (1) Sending on behalf of another person instructions relating to an investment by means of a computer-based system which enables investments to be transferred without a written instrument.

(2) Offering or agreeing to send such instructions by such means on behalf of another person.

(3) Causing such instructions to be sent by such means on behalf of another person.

(4) Offering or agreeing to cause such instructions to be sent by such means on behalf of another person.

[F3591 PART 1A

REGULATED ACTIVITIES: RECLAIM FUNDS

Textual Amendments

F3591 Sch. 2 Pt. 1A inserted (12.3.2009) by Dormant Bank and Building Society Accounts Act 2008 (c. 31), ss. 15, 31(1), **Sch. 2 para. 1(3)**; S.I. 2009/490, **art. 2** (with art. 3)

Activities of reclaim funds

9A (1) The matters with respect to which provision may be made under section 22(1) in respect of activities include, in particular, any of the activities of a reclaim fund.

(2) "Reclaim fund" has the meaning given by section 5(1) of the Dormant Bank and Building Society Accounts Act 2008.]

PART II

INVESTMENTS

General

10 The matters with respect to which provision may be made under section 22(1) in respect of investments include, in particular, those described in general terms in this Part of this Schedule.

Securities

11 (1) Shares or stock in the share capital of a company.

(2) "Company" includes—

(a) any body corporate (wherever incorporated), and

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(b) any unincorporated body constituted under the law of a country or territory outside the United Kingdom,

other than an open-ended investment company.

Instruments creating or acknowledging indebtedness

12 Any of the following—

(a) debentures;

(b) debenture stock;

(c) loan stock;

(d) bonds;

(e) certificates of deposit;

(f) any other instruments creating or acknowledging a present or future indebtedness.

Modifications etc. (not altering text)

C1682 Sch. 2 para. 12(f) extended (24.6.2003) by The Uncertificated Securities (Amendment) (Eligible Debt Securities) Regulations 2003 (S.I. 2003/1633), regs. 1(1), 15, **Sch. 2 para. 8(2)(h)**

Government and public securities

13 (1) Loan stock, bonds and other instruments—

(a) creating or acknowledging indebtedness; and

(b) issued by or on behalf of a government, local authority or public authority.

(2) "Government, local authority or public authority" means—

(a) the government of the United Kingdom, of Northern Ireland, or of any country or territory outside the United Kingdom;

(b) a local authority in the United Kingdom or elsewhere;

(c) any international organisation the members of which include the United Kingdom [F3592]....

Textual Amendments

F3592 Words in Sch. 2 para. 13(2)(c) omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **95**; 2020 c. 1, Sch. 5 para. 1(1)

Instruments giving entitlement to investments

14 (1) Warrants or other instruments entitling the holder to subscribe for any investment.

(2) It is immaterial whether the investment is in existence or identifiable.

Certificates representing securities

15 Certificates or other instruments which confer contractual or property rights—

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(a) in respect of any investment held by someone other than the person on whom the rights are conferred by the certificate or other instrument; and

(b) the transfer of which may be effected without requiring the consent of that person.

Units in collective investment schemes

16 (1) Shares in or securities of an open-ended investment company.

(2) Any right to participate in a collective investment scheme.

Options

17 Options to acquire or dispose of property.

Futures

18 Rights under a contract for the sale of a commodity or property of any other description under which delivery is to be made at a future date.

Contracts for differences

19 Rights under—

(a) a contract for differences; or

(b) any other contract the purpose or pretended purpose of which is to secure a profit or avoid a loss by reference to fluctuations in—

(i) the value or price of property of any description; or

(ii) an index or other factor designated for that purpose in the contract.

Contracts of insurance

20 Rights under a contract of insurance, including rights under contracts falling within head C of Schedule 2 to the [M55]Friendly Societies Act 1992.

Marginal Citations

M55 1992 c. 40.

Participation in Lloyd's syndicates

21 (1) The underwriting capacity of a Lloyd's syndicate.

(2) A person's membership (or prospective membership) of a Lloyd's syndicate.

Deposits

22 Rights under any contract under which a sum of money (whether or not denominated in a currency) is paid on terms under which it will be repaid, with or without interest or a premium, and either on demand or at a time or in circumstances agreed by or on behalf of the person making the payment and the person receiving it.

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[F3593 Loans and other forms of credit]

Textual Amendments

F3593 Sch. 2 para. 23 and crossheading substituted (24.1.2013) by Financial Services Act 2012 (c. 21), **ss. 7(3)**, 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(a), Sch. Pt. 1

[F3593 23 (1) Rights under any contract under which one person provides another with credit.

(2) "Credit" includes any cash loan or other financial accommodation.

(3) "Cash" includes money in any form.

(4) It is immaterial for the purposes of sub-paragraph (1) whether or not the obligation of the borrower is secured on property of any kind.**]**

[F3594 Other finance arrangements involving land

Textual Amendments

F3594 Sch. 2 para. 23A inserted (19.2.2006) by Regulation of Financial Services (Land Transactions) Act 2005 (c. 24), **ss. 1**, 2(2)

23A (1) Rights under any arrangement for the provision of finance under which the person providing the finance either—

(a) acquires a major interest in land from the person to whom the finance is provided, or

(b) disposes of a major interest in land to that person,

as part of the arrangement.

(2) References in sub-paragraph (1) to a "major interest" in land are to—

(a) in relation to land in England or Wales—

(i) an estate in fee simple absolute, or

(ii) a term of years absolute,

whether subsisting at law or in equity;

(b) in relation to land in Scotland—

(i) the interest of an owner of land, or

(ii) the tenant's right over or interest in a property subject to a lease;

(c) in relation to land in Northern Ireland—

(i) any freehold estate, or

(ii) any leasehold estate,

whether subsisting at law or in equity.

(3) It is immaterial for the purposes of sub-paragraph (1) whether either party acquires or (as the case may be) disposes of the interest in land—

(a) directly, or

(b) indirectly.**]**

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

[F3595 Contracts for hire of goods

Textual Amendments

F3595 Sch. 2 para. 23B and crossheading inserted (24.1.2013) by Financial Services Act 2012 (c. 21), **ss. 7(4)**, 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(a), Sch. Pt. 1

23B (1) Rights under a contract for the bailment or (in Scotland) hiring of goods to a person other than a body corporate.

(2) "Goods" has the meaning given in section 61(1) of the Sale of Goods Act 1979.

(3) It is immaterial for the purposes of sub-paragraph (1) whether the rights of the person to whom the goods are bailed or hired have been assigned to a body corporate.**]**

Rights in investments

24 Any right or interest in anything which is an investment as a result of any other provision made under section 22(1).

[F3596 PART 2A

REGULATED ACTIVITIES RELATING TO INFORMATION ABOUT PERSONS' FINANCIAL STANDING

Textual Amendments

F3596 Sch. 2 Pts. 2A, 2B inserted (24.1.2013) by Financial Services Act 2012 (c. 21), **ss. 7(5)**, 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(a), Sch. Pt. 1

General

24A The matters with respect to which provision may be made under section 22(1A)(a) include, in particular, those described in general terms in this Part of this Schedule.

Providing credit reference services

24B Furnishing persons with information that—

(a) is relevant to the financial standing of persons other than bodies corporate, and

(b) is collected for that purpose by the person furnishing it.

Providing credit information services

24C (1) Taking steps on behalf of a person other than a body corporate in connection with information relevant to that person's financial standing that is or may be held by a **[**F3597 person who is carrying on a regulated activity**]**.

F3598 (2) . . . . . .

Status: *This version of this Act contains provisions that are prospective.*
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Textual Amendments

F3597 Words in Sch. 2 para. 24C(1) substituted (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No. 2) Order 2013 (S.I. 2013/1881), arts. 1(2)(6), **10(17)(a)**

F3598 Sch. 2 para. 24C(2) omitted (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by virtue of The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No. 2) Order 2013 (S.I. 2013/1881), arts. 1(2)(6), **10(17)(b)**

24D Giving advice to a person other than a body corporate in relation to the taking of any steps of the kind mentioned in paragraph 24C(1).**]**

Textual Amendments

F3597 Words in Sch. 2 para. 24C(1) substituted (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No. 2) Order 2013 (S.I. 2013/1881), arts. 1(2)(6), **10(17)(a)**

F3598 Sch. 2 para. 24C(2) omitted (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by virtue of The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No. 2) Order 2013 (S.I. 2013/1881), arts. 1(2)(6), **10(17)(b)**

F3599 PART 2B

REGULATED ACTIVITIES RELATING TO THE SETTING OF BENCHMARKS

Textual Amendments

F3599 Sch. 2 Pt. 2B omitted (1.5.2020) by virtue of The Financial Services and Markets Act 2000 (Benchmarks) Regulations 2018 (S.I. 2018/135), regs. 1(2)(b), **50**

General

24E . . . . . .

Providing information

24F . . . . . .

Administration

24G . . . . . .

Determining or publishing benchmark or publishing connected information

24H . . . . . .

Status: *This version of this Act contains provisions that are prospective.*
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PART III

SUPPLEMENTAL PROVISIONS

The order-making power

25 (1) An order under section 22(1) **[**F3600**[**F3601or (1A)**]][**F3600to (1B)**]** may—

(a) provide for exemptions;

(b) confer powers on the Treasury or **[**F3602either regulator**]**;

(c) authorise the making of regulations or other instruments by the Treasury for purposes of, or connected with, any relevant provision;

(d) authorise the making of rules or other instruments by **[**F3602either regulator**]** for purposes of, or connected with, any relevant provision;

(e) make provision in respect of any information or document which, in the opinion of the Treasury or **[**F3602either regulator**]**, is relevant for purposes of, or connected with, any relevant provision;

(f) make such consequential, transitional or supplemental provision as the Treasury consider appropriate for purposes of, or connected with, any relevant provision **[**F3603, including provision which applies (with or without modification) provision in this Act or other primary or subordinate legislation that relates to investment activity or financial services to a regulated activity that does not relate to investment activity or financial services**]**.

(2) Provision made as a result of sub-paragraph (1)(f) may amend any primary or subordinate legislation, including any provision of, or made under, this Act.

(3) "Relevant provision" means any provision—

(a) of section 22 or this Schedule; or

(b) made under that section or this Schedule.

Textual Amendments

F3600 Words in Sch. 2 para. 25(1) substituted (E.W.S.) (6.10.2018) by Financial Guidance and Claims Act 2018 (c. 10), **ss. 27(13)(a)(i)**, 37(5); S.I. 2018/1045, reg. 2(a)

F3601 Words in Sch. 2 para. 25(1) inserted (24.1.2013) by Financial Services Act 2012 (c. 21), **ss. 8(2)(a)**, 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(a), Sch. Pt. 1

F3602 Words in Sch. 2 para. 25(1) substituted (24.1.2013) by Financial Services Act 2012 (c. 21), **ss. 8(2)(b)**, 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(a), Sch. Pt. 1

F3603 Words in Sch. 2 para. 25(1)(f) inserted (E.W.S.) (6.10.2018) by Financial Guidance and Claims Act 2018 (c. 10), **ss. 27(13)(a)(ii)**, 37(5); S.I. 2018/1045, reg. 2(a)

*[*F3604*Parliamentary control]*

Textual Amendments

F3604 Sch. 2 para. 26 and crossheading substituted (24.1.2013) by Financial Services Act 2012 (c. 21), **ss. 8(3)**, 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(a), Sch. Pt. 1

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[F3604**26**(1) This paragraph applies to any order made under section 22(1) **[**F3605**or (1A)][**F3605**to (1B)]** which contains a statement by the Treasury that, in their opinion, the effect (or one of the effects) of the proposed order would be that an activity which is not a regulated activity would become a regulated activity.

(2) No order to which this paragraph applies may be made unless—

(a) a draft of the order has been laid before Parliament and approved by a resolution of each House, or

(b) sub-paragraph (4) applies.

(3) Sub-paragraph (4) applies if an order to which this paragraph applies also contains a statement that the Treasury are of the opinion that, by reason of urgency, it is necessary to make the order without a draft being so laid and approved.

(4) Where this sub-paragraph applies the order—

(a) must be laid before Parliament after being made, and

(b) ceases to have effect at the end of the relevant period unless before the end of that period the order is approved by a resolution of each House of Parliament (but without that affecting anything done under the order or the power to make a new order).

(5) The "relevant period" is a period of 28 days beginning with the day on which the order is made.

(6) In calculating the relevant period no account is to be taken of any time during which Parliament is dissolved or prorogued or during which both Houses are adjourned for more than 4 days.**]**

Textual Amendments

F3605 Words in Sch. 2 para. 26(1) substituted (E.W.S.) (6.10.2018) by Financial Guidance and Claims Act 2018 (c. 10), **ss. 27(13)(b)**, 37(5); S.I. 2018/1045, reg. 2(a)

Interpretation

27 (1) In this Schedule—

"buying" includes acquiring for valuable consideration;

"offering" includes inviting to treat;

"property" includes currency of the United Kingdom or any other country or territory; and

"selling" includes disposing for valuable consideration.

(2) In sub-paragraph (1) "disposing" includes—

(a) in the case of an investment consisting of rights under a contract—

(i) surrendering, assigning or converting those rights; or

(ii) assuming the corresponding liabilities under the contract;

(b) in the case of an investment consisting of rights under other arrangements, assuming the corresponding liabilities under the contract or arrangements;

(c) in the case of any other investment, issuing or creating the investment or granting the rights or interests of which it consists.

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(3) In this Schedule references to an instrument include references to any record (whether or not in the form of a document).

[F3606SCHEDULE 2A

Section 31

GIBRALTAR-BASED PERSONS CARRYING ON ACTIVITIES IN THE UK

Textual Amendments

F3606 Sch. 2A inserted (1.9.2023 for specified purposes) by Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 6** (as amended (1.1.2024) by The Retained EU Law (Revocation and Reform) Act 2023 (Consequential Amendment) Regulations 2023 (S.I. 2023/1424), reg. 1(2), **Sch. para. 100(3)(b)**); S.I. 2023/934, reg. 2(a)

PART 1

INTERPRETATION ETC

Gibraltar-based person

1 (1) In this Act, "Gibraltar-based person" means a person listed in sub-paragraph (2) which has its head office and, if it has one, its registered office in Gibraltar (and see also Part 14 of this Schedule).

(2) Those persons are—

(a) an individual,

(b) a body corporate,

(c) a partnership, or

(d) an unincorporated association.

Regulators

2 (1) In this Schedule—

"the Gibraltar regulator" means the Gibraltar Financial Services Commission;

"UK regulator" means the FCA or the PRA.

(2) The Treasury may by regulations amend the definition of "the Gibraltar regulator" if they consider it appropriate to do so in consequence of a change in the law of Gibraltar.

Activities and branches

3 (1) In this Schedule, "approved activity" means a regulated activity for the time being approved by regulations under paragraph 5.

(2) For the purposes of this Schedule—

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(a) "corresponding activity" means an activity corresponding to an approved activity, and

(b) references (however expressed) to an activity corresponding to an approved activity, or an approved activity corresponding to another activity, are to be interpreted in accordance with regulations under paragraph 6.

(3) In this Schedule, "branch" means—

(a) a place where a person carries on an activity for an indefinite period and which does not have legal personality, or

(b) any other description of place specified in regulations made by the Treasury.

UK regulators' objectives

4 For the purposes of any provision of this Schedule which refers to the FCA's operational objectives or the PRA's objectives, in relation to the exercise of a power in relation to a particular person, it does not matter whether there is a relationship between that person and the persons whose interests will be protected by the exercise of the power.

PART 2

APPROVED ACTIVITIES

Approval of regulated activities

5 (1) The Treasury may by regulations approve a regulated activity for the purposes of this Schedule.

(2) The power under this paragraph includes power to approve a regulated activity—

(a) only so far as it is carried on by a person of a description specified in the regulations,

(b) only so far as it is carried on through a branch in the United Kingdom,

(c) only so far as it is carried on in other circumstances specified in the regulations, or

(d) subject to other limitations.

(3) In making regulations under this paragraph, the Treasury may have regard to any matter that they consider relevant (and see the restrictions in paragraphs 7, 8 and 9 and the requirement in paragraph 10).

Corresponding activities regulated in Gibraltar

6 (1) The Treasury must by regulations make provision about how each approved activity corresponds to activities which the Gibraltar regulator has authorised, or may authorise, a person to carry on in Gibraltar.

(2) The power under this paragraph includes power to make provision about an activity—

(a) only so far as it is carried on by a person of a description specified in the regulations,

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(b) only so far as it is carried on in other circumstances specified in the regulations, or

(c) subject to other limitations.

(3) In making regulations under this paragraph, the Treasury may have regard to any matter that they consider relevant (and see the restrictions in paragraphs 7 and 8 and the requirement in paragraph 10).

Objectives

7 (1) The Treasury may not make regulations under paragraph 5 or 6 unless they are satisfied that doing so is compatible with each of the following objectives—

(a) to protect and enhance the soundness, stability and resilience of the UK financial system;

(b) to protect and enhance public confidence in the UK financial system;

(c) to prevent the use of the UK financial system for a purpose connected with financial crime;

(d) to ensure that the relevant markets in the United Kingdom function well;

(e) to protect consumers;

(f) to protect the operation of the compensation scheme;

(g) to protect public funds;

(h) to maintain and improve relations between the United Kingdom and other countries and territories with significant financial markets or significant markets for financial services.

(2) In this paragraph—

"consumers" has the meaning given in section 1G;

"financial crime" has the meaning given in section 1H;

"public funds" means the Consolidated Fund and any other account or source of money which cannot be drawn or spent other than by, or with the authority of, the Treasury;

"the relevant markets" means the markets for services provided by persons carrying on the regulated activity or approved activity (as appropriate) to which the regulations relate.

Alignment of law and practice

8 (1) The Treasury may not approve a regulated activity under paragraph 5, or identify an activity as corresponding to an approved activity under paragraph 6, unless they are satisfied that, having regard to the objectives in paragraph 7(1), the relevant law and practice of the United Kingdom and Gibraltar are sufficiently aligned.

(2) In this paragraph, "the relevant law and practice" means—

(a) in relation to the United Kingdom, law and practice under which the carrying on of what is or would be the approved activity is authorised and supervised and other law and practice relevant to the carrying on of that activity,

(b) in relation to Gibraltar, law and practice under which the carrying on of what would be the corresponding activity is authorised and supervised and other law and practice relevant to the carrying on of that activity, and

(c) in relation to both the United Kingdom and Gibraltar, law and practice relevant to the objectives in paragraph 7(1).

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(3) The reference to alignment between the law and practice of the United Kingdom and Gibraltar in sub-paragraph (1) includes both alignment as regards the effect of the law and practice and alignment of the text of the law and of any guidance or other documents relating to practice.

Co-operation

9 (1) The Treasury may not approve a regulated activity under paragraph 5 unless they are satisfied that, having regard to the objectives in paragraph 7(1), there is, or will be, adequate co-operation between—

(a) the UK entities listed in sub-paragraph (2), and

(b) the Gibraltar entities listed in sub-paragraph (3).

(2) The UK entities are—

(a) the Treasury,

(b) the FCA,

(c) the PRA, and

(d) the scheme manager.

(3) The Gibraltar entities are—

(a) the government of Gibraltar, and

(b) the Gibraltar regulator.

(4) In determining whether the test in sub-paragraph (1) is satisfied, the Treasury must have regard to—

(a) memoranda describing how the UK entities and the Gibraltar entities intend to co-operate,

(b) arrangements for the UK entities to obtain information and documents from the Gibraltar entities,

(c) arrangements for the verification of such information and documents (whether by, or by a person appointed by, a UK entity or a Gibraltar entity),

(d) arrangements for the Gibraltar entities to obtain information and documents from the UK entities, and

(e) anything else that the Treasury consider relevant.

Consultation

10 Before making regulations under paragraph 5 or 6, the Treasury must consult—

(a) the government of Gibraltar,

(b) the FCA, and

(c) if the regulations relate to activities which consist of or include PRA-regulated activities, the PRA.

Withdrawal of approval

11 (1) The restrictions in paragraphs 7, 8 and 9 do not apply in relation to regulations under paragraph 5 to the extent that the regulations—

(a) revoke other regulations under paragraph 5, or

(b) otherwise amend other regulations under paragraph 5 in order to withdraw the Treasury's approval of an activity.

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(2) The restrictions in paragraphs 7 and 8 do not apply in relation to regulations under paragraph 6 to the extent that the regulations—

(a) revoke other regulations under paragraph 6, or

(b) otherwise amend other regulations under paragraph 6 in order to provide that an activity which the Gibraltar regulator has authorised, or may authorise, a person to carry on in Gibraltar does not correspond to an approved activity.

PART 3

PERMISSION TO CARRY ON AN APPROVED ACTIVITY

Obtaining permission to carry on an approved activity

12 (1) If the appropriate UK regulator receives a notification from the Gibraltar regulator that a Gibraltar-based person wants to be able to carry on an approved activity in the United Kingdom (see paragraph 15), the person obtains permission to do so at the end of the period for considering the notification, as it relates to the activity (see paragraph 16).

(2) The person does not obtain permission to carry on an activity under sub-paragraph (1) if, during the period for considering the notification—

(a) the appropriate UK regulator rejects the notification, as it relates to the activity (see paragraph 17), or

(b) the Gibraltar regulator withdraws the notification, as it relates to the activity.

(3) References in this Part of this Schedule to a notification are references to a notification for the purposes of this paragraph.

(4) A permission obtained under this paragraph is referred to in this Act as "a Schedule 2A permission".

Schedule 2A permission

13 (1) A Schedule 2A permission for a person to carry on an activity is a permission to do so only if and to the extent that—

(a) the person is a Gibraltar-based person,

(b) the activity is an approved activity, and

(c) the person has permission from the Gibraltar regulator to carry on the corresponding activity in Gibraltar,

subject to the transitional arrangements in Parts 9 and 10 of this Schedule.

(2) A Gibraltar-based person's Schedule 2A permission to carry on an activity is a permission to do so—

(a) on terms equivalent to the terms of the person's permission from the Gibraltar regulator to carry on the corresponding activity in Gibraltar, and

(b) subject to any limitations specified in the notification (for example, as to the circumstances in which the activity is to be carried on in the United Kingdom) (and see also paragraph 21(3)).

(3) The reference in sub-paragraph (2)(a) to the terms of the person's permission from the Gibraltar regulator to carry on the corresponding activity in Gibraltar includes—

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(a) any restrictions included in the permission, and

(b) any other restrictions imposed by the Gibraltar regulator on the carrying on by the person of the activity in Gibraltar.

The appropriate UK regulator

14 In relation to a notification, "the appropriate UK regulator" means—

(a) the PRA, in a case where the approved activities to which the notification relates consist of or include PRA-regulated activities, and

(b) the FCA, in any other case.

Notifying the appropriate UK regulator

15 (1) A notification must—

(a) name the Gibraltar-based person,

(b) state the address of the person's head office in Gibraltar,

(c) specify the approved activity which the person wants to be able to carry on in the United Kingdom, including any limitations,

(d) specify the corresponding activity, including any restrictions,

(e) state that the person has permission from the Gibraltar regulator to carry on the corresponding activity in Gibraltar,

(f) state that the Gibraltar regulator consents to the person carrying on the approved activity in the United Kingdom,

(g) identify each person who is responsible for managing an aspect of the Gibraltar-based person's affairs relating to the approved activity and describe that person's responsibilities as regards those affairs,

(h) state whether the Gibraltar-based person wants to carry on the activity through a branch in the United Kingdom and, if so—

(i) identify each person who is or will be responsible for managing an aspect of the affairs of the branch, and

(ii) describe that person's responsibilities as regards those affairs, and

(i) contain, or be accompanied by, any further information specified in a direction given by the appropriate UK regulator under paragraph 57 and in force when the notification is given.

(2) A notification may relate to more than one approved activity.

(3) The Treasury may by regulations change the information that a notification must contain.

(4) Regulations under sub-paragraph (3) may amend this paragraph, but may not amend or repeal sub-paragraph (1)(i).

(5) Before making regulations under sub-paragraph (3), the Treasury must consult—

(a) the government of Gibraltar, and

(b) the UK regulators.

(6) In sub-paragraph (1), the references to managing an aspect of a person's affairs or a branch's affairs includes a reference to taking decisions, or participating in the taking of decisions, about how that aspect of the affairs should be carried on.

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Considering a notification

16 (1) Where the appropriate UK regulator receives a notification, it must acknowledge receipt in writing without delay.

(2) The period for considering a notification is—

(a) so far as it relates to an activity that is to be carried on through a branch in the United Kingdom, the period of two months beginning with the day on which the appropriate UK regulator receives the notification, and

(b) so far as it relates to any other activity, the period of one month beginning with that day.

(3) If, before the end of the period described in sub-paragraph (2), the appropriate UK regulator gives the Gibraltar-based person a confirmation notice in respect of an approved activity specified in the notification, then the period for considering the notification as it relates to the activity ends when the notice is given.

(4) A "confirmation notice" is a written notice confirming that the person has a Schedule 2A permission in relation to the approved activity.

(5) A confirmation notice may relate to more than one activity.

Rejecting a notification

17 (1) The appropriate UK regulator may not reject a notification unless—

(a) it is required to do so under paragraph 18, or

(b) it has power to do under paragraph 19 or 20.

(2) A notification is rejected when the appropriate UK regulator gives a written notice of the rejection to the Gibraltar regulator.

(3) The rejection of a notification does not prevent the Gibraltar regulator from giving a further notification relating to the same person and the same activity.

Duties to reject

18 (1) The appropriate UK regulator must reject a notification if satisfied that the notification does not satisfy one or more of the requirements in paragraph 15(1).

(2) The appropriate UK regulator must reject a notification, so far as it relates to an activity, if the activity ceases to be an approved activity.

(3) The appropriate UK regulator must reject a notification, so far as it relates to an approved activity, if satisfied that the Gibraltar-based person does not have permission from the Gibraltar regulator to carry on the corresponding activity in Gibraltar.

Power to reject: prohibition order in respect of senior manager

19 (1) The appropriate UK regulator may reject a notification, so far as it relates to an approved activity, if satisfied that a person with responsibility for managing an aspect of the Gibraltar-based person's affairs—

(a) is prohibited from performing a function by a prohibition order, and

(b) performs a senior management function in relation to the carrying on of the approved activity by the Gibraltar-based person in the United Kingdom,

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Gibraltar or elsewhere or is expected to do so if the person obtains a Schedule 2A permission to carry on the approved activity in the United Kingdom.

(2) In sub-paragraph (1)—

(a) the reference to managing an aspect of a person's affairs includes a reference to taking decisions, or participating in the taking of decisions, about how that aspect of those affairs should be carried on,

(b) "prohibition order" means—

(i) an order under section 56,

(ii) an order under section 143S, or

(iii) an order under the law of Gibraltar which the appropriate UK regulator considers to be equivalent to an order under section 56 or 143S, and

(c) "senior management function", in relation to the carrying on of an activity by the Gibraltar-based person, means a function which requires a person to manage an aspect of the Gibraltar-based person's affairs which involves, or might involve, a risk of serious consequences—

(i) for the Gibraltar-based person, or

(ii) for business or other interests in the United Kingdom, Gibraltar or elsewhere.

Power to reject: loss of access right and serious threat to the UK

20 (1) The appropriate UK regulator may reject a notification if satisfied that the Gibraltar-based person—

(a) lost a relevant access right at any time, and

(b) poses, or is likely to pose, a serious threat to—

(i) the interests of consumers (as defined in section 1G), or

(ii) the soundness, stability and resilience of the UK financial system or a part of that system.

(2) The appropriate UK regulator may reject a notification if satisfied that—

(a) the Gibraltar-based person—

(i) is a member of the same group as a person that lost a relevant access right at any time, or

(ii) has close links with such a person (as defined in paragraph 2C(2) of Schedule 6), and

(b) given the nature of the relationship between that person and the Gibraltar-based person, the Gibraltar-based person poses, or is likely to pose, a serious threat to—

(i) the interests of consumers (as defined in section 1G), or

(ii) the soundness, stability and resilience of the UK financial system or a part of that system.

(3) For the purposes of this paragraph, a person lost a relevant access right if—

(a) its Part 4A permission was cancelled,

(b) its Schedule 2A permission was cancelled, or

(c) it ceased to qualify for authorisation under Schedule 3 (other than by virtue of the repeal of that Schedule).

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(4) When deciding whether to reject a notification under this paragraph, the appropriate UK regulator must have regard, among other things, to the reasons why the person lost the relevant access right.

PART 4

VARIATION OF PERMISSION

Variation of permission

21 (1) A Schedule 2A permission may be varied in accordance with this Part of this Schedule—

(a) on the initiative of the Gibraltar regulator (see paragraphs 22 to 26), or

(b) on the initiative of a UK regulator (see paragraphs 27 to 30).

(2) References in this Part of this Schedule to the variation of a Schedule 2A permission (however expressed) are to its variation by—

(a) adding an approved activity to those to which the permission relates,

(b) removing an approved activity from those to which the permission relates, or

(c) varying the description of an activity to which the permission relates (including by adding, removing or varying a limitation).

(3) Where a limitation is added, removed or varied under this Part of this Schedule, paragraph 13(2)(b) has effect as if it referred to the limitations (if any) that have effect after that change.

Gibraltar regulator's initiative: notification

22 (1) If the appropriate UK regulator receives a notification from the Gibraltar regulator requesting the variation of a Gibraltar-based person's Schedule 2A permission (see paragraph 24), the permission is varied—

(a) if the notification specifies a time for the variation to take effect which falls after the end of the period for considering the notification as it relates to the variation (see paragraph 25), at that time, or

(b) otherwise, at the end of the period for considering the notification, as it relates to the variation.

(2) A variation requested in a notification does not take effect under sub-paragraph (1) if, during the period for considering the notification—

(a) the appropriate UK regulator rejects the notification, as it relates to the variation (see paragraph 26), or

(b) the Gibraltar regulator withdraws the notification, as it relates to the variation.

(3) References in this Part of this Schedule to a notification are references to a notification for the purposes of this paragraph.

Gibraltar regulator's initiative: the appropriate UK regulator

23 In relation to a notification, "the appropriate UK regulator" means—

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(a) the PRA, in a case where the approved activities to which the notification relates consist of or include PRA-regulated activities, and

(b) the FCA, in any other case.

Gibraltar regulator's initiative: notifying the UK regulator

24 (1) A notification must—

(a) state the desired variation,

(b) specify the approved activity or approved activities which the Gibraltar-based person wants to carry on following the variation, including any limitations,

(c) specify the corresponding activity, including any restrictions,

(d) state that the person has permission from the Gibraltar regulator to carry on the corresponding activity in Gibraltar,

(e) state that the Gibraltar regulator consents to the variation, and

(f) contain, or be accompanied by, any further information specified in a direction given by the appropriate UK regulator under paragraph 57 and in force when the notification is given.

(2) A notification may state when the desired variation is to have effect.

(3) A notification may relate to more than one variation.

Gibraltar regulator's initiative: considering a notification

25 (1) Where the appropriate UK regulator receives a notification, it must acknowledge receipt in writing without delay.

(2) The period for considering a notification is—

(a) so far as it relates to a variation in respect of an activity carried on through a branch in the United Kingdom, the period of two months beginning with the day on which the appropriate UK regulator receives the notification, and

(b) so far as it relates to any other variation, the period of one month beginning with that day.

(3) If, before the end of the period described in sub-paragraph (2), the appropriate UK regulator gives the Gibraltar-based person a confirmation notice in respect of a variation specified in the notification, then the period for considering the notification as it relates to the variation ends when the notice is given.

(4) A "confirmation notice" is a written notice confirming that the variation has effect as specified in the notification.

(5) A confirmation notice may relate to more than one variation.

Gibraltar regulator's initiative: rejecting a notification

26 (1) The appropriate UK regulator may not reject a notification unless—

(a) it is required to do so under sub-paragraph (3) or (4), or

(b) it has power to do under sub-paragraph (5).

(2) A notification is rejected when the appropriate UK regulator gives a written notice of the rejection to the Gibraltar regulator.

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(3) The appropriate UK regulator must reject a notification if satisfied that the notification does not satisfy one or more of the requirements in paragraph 24(1).

(4) The appropriate UK regulator must reject a notification if it would be required to do so by paragraph 18(2) or (3) if the notification were a notification under Part 3 of this Schedule relating to—

(a) the Gibraltar-based person, and

(b) the activities that the person would have a Schedule 2A permission to carry on if the permission were varied as specified in the notification.

(5) The appropriate UK regulator may reject a notification if it would have power to do so under paragraph 19 or 20 if the notification were a notification under Part 3 of this Schedule relating to—

(a) the Gibraltar-based person, and

(b) the activities that the person would have a Schedule 2A permission to carry on if the permission were varied as specified in the notification.

(6) The rejection of a notification does not prevent the Gibraltar regulator from giving a further notification.

UK regulator's initiative

27 (1) A UK regulator may exercise a power under this paragraph in relation to a Gibraltar-based person with a Schedule 2A permission where one of the own-initiative conditions is satisfied (see paragraph 28).

(2) The FCA may vary a Schedule 2A permission.

(3) The PRA may vary a PRA-authorised person's Schedule 2A permission.

(4) In the case of a person who is not a PRA-authorised person, the PRA may vary the person's Schedule 2A permission by adding an approved activity that is a PRA-regulated activity to those to which the permission relates.

(5) Where it adds an approved activity under sub-paragraph (4), the PRA may vary the person's Schedule 2A permission in any of the other ways described in paragraph 21(2).

Own-initiative conditions

28 (1) For the purposes of this Schedule, "the own-initiative conditions" are—

(a) in relation to the exercise of a power by the FCA, conditions A to C, and

(b) in relation to the exercise of a power by the PRA, conditions A to D.

(2) Condition A is that the UK regulator in question considers that—

(a) it is desirable to exercise the power in order to advance one or more of its objectives, and

(b) the Gibraltar regulator—

(i) is aware, or ought reasonably to be aware, of the reasons why the UK regulator considers that to be the case, and

(ii) has had time to take steps, or indicate what steps (if any) it is likely to take, in response.

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(3) Condition B is that the UK regulator in question considers that—

(a) it is desirable to exercise the power in order to advance one or more of its objectives, and

(b) a delay in exercising the power would be materially detrimental to—

(i) the interests of consumers (as defined in section 1G), or

(ii) the soundness, stability and resilience of the UK financial system or a part of that system.

(4) Condition C is that the UK regulator in question considers that—

(a) the Gibraltar-based person is contravening, or has contravened, a rule made by the UK regulator or a requirement imposed on it by the UK regulator under Part 6 of this Schedule, and

(b) the contravention is not minor, having regard to the nature of the contravention or its consequences (or both).

(5) Condition D is that the PRA considers that—

(a) it is desirable to exercise the power in order to advance one or more of the PRA's objectives, and

(b) the Gibraltar-based person poses, or may pose, a risk to the soundness, stability and resilience of the UK financial system, or a part of that system, of a type specified for the purposes of this condition in the policy statement produced by the PRA under paragraph 71.

(6) In the case of the FCA, references in this paragraph to its objectives are references only to its operational objectives.

UK regulator's initiative: procedure

29 (1) The variation of a Schedule 2A permission under paragraph 27 takes effect—

(a) immediately, if the notice given under sub-paragraph (3) states that is the case,

(b) on such date as may be specified in the notice, or

(c) if no date is specified in the notice, when the matter to which the notice relates is no longer open to review.

(2) The variation of a Schedule 2A permission under paragraph 27 may be expressed to take effect immediately, or on a specified date, only if the UK regulator reasonably considers that it is necessary for the variation to take effect immediately or on that date, having regard to the own-initiative condition on which it is relying for the purposes of paragraph 27(1).

(3) If a UK regulator—

(a) proposes to vary a Schedule 2A permission under paragraph 27, or

(b) varies a Schedule 2A permission under that paragraph with immediate effect,

it must give the Gibraltar-based person a written notice.

(4) The notice must—

(a) give details of the variation,

(b) state the UK regulator's reasons for varying the permission,

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(c) inform the Gibraltar-based person that the person may make representations to the UK regulator within the period specified in the notice (whether or not the Gibraltar-based person has referred the matter to the Tribunal),

(d) inform the Gibraltar-based person of when the variation of the permission takes effect, and

(e) inform the Gibraltar-based person of the person's right to refer the matter to the Tribunal.

(5) The UK regulator may extend the period allowed under the notice for making representations.

(6) If, having considered any representations made by the Gibraltar-based person, the UK regulator decides—

(a) to vary the permission in the way proposed, or

(b) if the permission has been varied, not to rescind its variation,

it must give the Gibraltar-based person a written notice.

(7) A notice under sub-paragraph (6) must inform the Gibraltar-based person of the person's right to refer the matter to the Tribunal.

(8) If, having considered any representations made by the Gibraltar-based person, the UK regulator decides—

(a) not to vary the permission in the way proposed,

(b) to vary the permission in a different way, or

(c) to rescind the variation,

it must give the Gibraltar-based person a written notice.

(9) A notice under sub-paragraph (8)(b) must comply with sub-paragraph (4).

(10) If a notice under this paragraph informs a person of the person's right to refer a matter to the Tribunal, it must give an indication of the procedure for such a reference.

(11) For the purposes of sub-paragraph (1)(c), whether a matter is open to review is to be determined in accordance with section 391(8).

Right to refer matters to the Tribunal

30 A Gibraltar-based person who is aggrieved by the exercise by a UK regulator of a power under paragraph 27 in relation to the person may refer the matter to the Tribunal.

PART 5

CANCELLATION OF PERMISSION

Cancellation of permission

31 A Schedule 2A permission may be cancelled in accordance with this Part of this Schedule—

(a) on the initiative of the Gibraltar regulator (see paragraphs 32 to 36), or

(b) on the initiative of a UK regulator (see paragraphs 37 to 39).

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Gibraltar regulator's initiative: notification

32 (1) If the appropriate UK regulator receives a notification from the Gibraltar regulator requesting the cancellation of a Gibraltar-based person's Schedule 2A permission (see paragraph 34), the permission is cancelled when the period for considering the notification ends (see paragraph 35).

(2) A Schedule 2A permission is not cancelled under sub-paragraph (1) if, during the period for considering the notification—

(a) the appropriate UK regulator rejects the notification (see paragraph 36), or

(b) the Gibraltar regulator withdraws the notification.

(3) References in this Part of this Schedule to a notification are references to a notification for the purposes of this paragraph.

Gibraltar regulator's initiative: the appropriate UK regulator

33 In relation to a notification, "the appropriate UK regulator" means—

(a) the PRA, in a case where the Gibraltar-based person is a PRA-authorised person, and

(b) the FCA, in any other case.

Gibraltar regulator's initiative: notifying the UK regulator

34 A notification must—

(a) state the reason for requesting the cancellation of the permission,

(b) state that the Gibraltar regulator consents to the cancellation, and

(c) contain, or be accompanied by, any further information specified in a direction given by the appropriate UK regulator under paragraph 57 and in force when the notification is given.

Gibraltar regulator's initiative: considering a notification

35 (1) Where the appropriate UK regulator receives a notification, it must acknowledge receipt in writing without delay.

(2) The period for considering a notification is—

(a) where the Schedule 2A permission relates to one or more activities carried on through a branch in the United Kingdom, the period of two months beginning with the day on which the appropriate UK regulator receives the notification, and

(b) otherwise, the period of one month beginning with that day.

(3) If, before the end of the period described in sub-paragraph (2), the appropriate UK regulator gives the Gibraltar-based person a confirmation notice in respect of the notification, then the period for considering the notification ends when the notice is given.

(4) A "confirmation notice" is a written notice confirming that the Schedule 2A permission is cancelled.

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Gibraltar regulator's initiative: rejecting a notification

36 (1) The appropriate UK regulator may not reject a notification unless—

(a) it is required to do so under sub-paragraph (3), or

(b) it has power to do under sub-paragraph (4) or (5).

(2) A notification is rejected when the appropriate UK regulator gives a written notice of the rejection to the Gibraltar regulator.

(3) The appropriate UK regulator must reject a notification if satisfied that the notification does not satisfy a requirement in paragraph 34.

(4) The FCA may reject a notification if it appears to the FCA that it is desirable to do so in order to advance one or more of its operational objectives.

(5) The PRA may reject a notification if it appears to the PRA that it is desirable to do so in order to advance one or more of its objectives.

(6) The rejection of a notification does not prevent the Gibraltar regulator from giving a further notification.

UK regulator's initiative

37 (1) The FCA may cancel a Schedule 2A permission where one of the own-initiative conditions is satisfied (see paragraph 28).

(2) The PRA may cancel a PRA-authorised person's Schedule 2A permission where one of the own-initiative conditions is satisfied (see paragraph 28).

(3) The appropriate UK regulator must cancel a Schedule 2A permission where—

(a) the permission no longer enables the person to carry on an approved activity (whether by virtue of paragraph 13 or otherwise), and

(b) the UK regulator is satisfied that it is no longer necessary to keep the permission in force.

(4) In this paragraph, "the appropriate UK regulator" means—

(a) the PRA, in a case where the Gibraltar-based person is a PRA-authorised person, and

(b) the FCA, in any other case.

UK regulator's initiative: procedure

38 (1) If a UK regulator proposes to cancel a Gibraltar-based person's Schedule 2A permission under paragraph 37, it must give the person a warning notice.

(2) If a UK regulator decides to cancel a Gibraltar-based person's Schedule 2A permission under paragraph 37, it must give the person a decision notice.

Right to refer matters to the Tribunal

39 If a UK regulator gives a Gibraltar-based person a decision notice under paragraph 38, the person may refer the matter to the Tribunal.

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PART 6

REQUIREMENTS

Requirements

40 (1) A requirement may be imposed on a Gibraltar-based person in accordance with this Part of this Schedule—

(a) by a UK regulator as part of the process of considering a notification under Part 3 or 4 of this Schedule (see paragraphs 41 to 43),

(b) on the initiative of the Gibraltar regulator (see paragraphs 44 to 48), or

(c) on the UK regulator's initiative (see paragraphs 49 to 52).

(2) Requirements imposed on a Gibraltar-based person in accordance with this Part of this Schedule may be varied or cancelled in accordance with this Part of this Schedule—

(a) on the initiative of the Gibraltar regulator (see paragraphs 44 to 48), or

(b) on the UK regulator's initiative (see paragraphs 49 to 52).

Imposing requirements in connection with Part 3 or 4 notification

41 (1) This paragraph applies where a UK regulator has received—

(a) a notification for the purposes of paragraph 12 in respect of the carrying on of an activity by a Gibraltar-based person, or

(b) a notification for the purposes of paragraph 22 in respect of the variation of a Gibraltar-based person's Schedule 2A permission.

(2) A UK regulator may exercise the powers under this paragraph where it considers that it is desirable to do so in order to advance one or more of its objectives.

(3) The FCA may impose requirements on the Gibraltar-based person.

(4) The PRA may impose requirements on the Gibraltar-based person if—

(a) the notification mentioned in sub-paragraph (1) relates to activities which consist of or include PRA-regulated activities, or

(b) the Gibraltar-based person is a PRA-authorised person.

(5) A requirement may not be imposed under this paragraph—

(a) after the end of the period for considering the notification mentioned in sub-paragraph (1), or

(b) so as to take effect before the end of that period.

(6) In the case of the FCA, the reference in this paragraph to its objectives is a reference only to its operational objectives.

Imposing requirements in connection with Part 3 or 4 notification: procedure

42 (1) If a UK regulator proposes to impose a requirement on a Gibraltar-based person under paragraph 41, it must—

(a) give the person a warning notice,

(b) give the Gibraltar regulator a written notice of the proposed requirement, stating the UK regulator's reasons for imposing the requirement, and

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(c) consider any representations made by the Gibraltar regulator within the period specified in the notice.

(2) If a UK regulator decides to impose a requirement on a Gibraltar-based person under paragraph 41, it must give the person a decision notice.

Right to refer matters to the Tribunal

43 If a UK regulator gives a Gibraltar-based person a decision notice under paragraph 42, the person may refer the matter to the Tribunal.

Gibraltar regulator's initiative: notification

44 (1) If the appropriate UK regulator receives a notification from the Gibraltar regulator (see paragraph 46)—

(a) asking for a requirement to be imposed on a Gibraltar-based person with a Schedule 2A permission, or

(b) asking for a requirement imposed on a Gibraltar-based person with a Schedule 2A permission to be varied or cancelled,

the requirement is imposed, varied or cancelled as specified in the notification at the end of the period for considering the notification, as it relates to the requirement (see paragraph 47).

(2) The requirement is not imposed, varied or cancelled under sub-paragraph (1) if, during the period for considering the notification—

(a) the appropriate UK regulator rejects the notification, as it relates to the requirement (see paragraph 48), or

(b) the Gibraltar regulator withdraws the notification, as it relates to the requirement.

(3) References in this Part of this Schedule to a notification are references to a notification for the purposes of this paragraph, except where otherwise stated.

Gibraltar regulator's initiative: the appropriate UK regulator

45 In relation to a notification, "the appropriate UK regulator" means—

(a) the PRA, in a case where the approved activities to which the notification relates consist of or include PRA-regulated activities, and

(b) the FCA, in any other case.

Gibraltar regulator's initiative: notifying the UK regulator

46 A notification must—

(a) state the requirement to be imposed or the desired variation or cancellation (as appropriate),

(b) state the reason for asking for the requirement to be imposed, varied or cancelled,

(c) state that the Gibraltar regulator consents to the requirement being imposed, varied or cancelled, and

(d) contain, or be accompanied by, any further information specified in a direction given by the appropriate UK regulator under paragraph 57 and in force when the notification is given.

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Gibraltar regulator's initiative: considering a notification

47 (1) Where the appropriate UK regulator receives a notification, it must acknowledge receipt in writing without delay.

(2) The period for considering a notification is—

(a) so far as it relates to a requirement to be imposed on a Gibraltar-based person with a branch in the United Kingdom, the period of two months beginning with the day on which the appropriate UK regulator receives the notification, and

(b) so far as it relates to any other requirement, the period of one month beginning with that day.

(3) If, before the end of the period described in sub-paragraph (2), the appropriate UK regulator gives the Gibraltar-based person a confirmation notice in respect of a requirement specified in the notification, then the period for considering the notification as it relates to the requirement ends when the notice is given.

(4) A "confirmation notice" is a written notice confirming that the requirement is imposed, varied or cancelled as requested in the notification.

Gibraltar regulator's initiative: rejecting a notification

48 (1) The appropriate UK regulator may not reject a notification so far as it relates to a requirement unless—

(a) it is required to do so under sub-paragraph (3), or

(b) it has power to do under sub-paragraph (4) or (5).

(2) A notification is rejected when the appropriate UK regulator gives a written notice of the rejection to the Gibraltar regulator.

(3) The appropriate UK regulator must reject a notification if satisfied that the notification does not satisfy one or more of the requirements in paragraph 46.

(4) The FCA may reject a notification, so far as it relates to a requirement, if it appears to the FCA that it is desirable to do so in order to advance one or more of its operational objectives.

(5) The PRA may reject a notification, so far as it relates to a requirement, if it appears to the PRA that it is desirable to do so in order to advance one or more of its objectives.

(6) The rejection of a notification does not prevent the Gibraltar regulator from giving a further notification in respect of the same requirement.

UK regulator's initiative: imposing, varying and cancelling requirements

49 (1) A UK regulator may exercise the powers under this paragraph in relation to a Gibraltar-based person only where one of the own-initiative conditions is satisfied (see paragraph 28).

(2) The FCA may—

(a) impose a requirement on a Gibraltar-based person with a Schedule 2A permission,

(b) vary a requirement imposed by the FCA under this Part of this Schedule, or

(c) cancel such a requirement.

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(3) The PRA may—

(a) impose a requirement on a Gibraltar-based person with a Schedule 2A permission where the person is a PRA-authorised person,

(b) vary a requirement imposed by the PRA under this Part of this Schedule, or

(c) cancel such a requirement.

UK regulator's initiative: procedure for imposing or varying requirements

50 (1) The imposition or variation of a requirement under paragraph 49 takes effect—

(a) immediately, if the notice given under sub-paragraph (3) states that is the case,

(b) on such date as may be specified in the notice, or

(c) if no date is specified in the notice, when the matter to which the notice relates is no longer open to review.

(2) The imposition or variation of a requirement under paragraph 49 may be expressed to take effect immediately, or on a specified date, only if the UK regulator reasonably considers that it is necessary for the imposition or variation of the requirement to take effect immediately or on that date, having regard to the own-initiative condition on which it is relying for the purposes of paragraph 49(1).

(3) If a UK regulator—

(a) proposes to exercise the power under paragraph 49 to impose a requirement on a Gibraltar-based person, or vary a requirement imposed on a Gibraltar-based person, or

(b) exercises that power so as to impose a requirement on a Gibraltar-based person, or vary a requirement imposed on a Gibraltar-based person, with immediate effect,

it must give the person a written notice.

(4) The notice must—

(a) give details of the requirement or its variation,

(b) state the UK regulator's reasons for imposing or varying the requirement,

(c) inform the Gibraltar-based person that the person may make representations to the UK regulator within the period specified in the notice (whether or not the Gibraltar-based person has referred the matter to the Tribunal),

(d) inform the Gibraltar-based person of when the imposition or variation of the requirement takes effect, and

(e) inform the Gibraltar-based person of the person's right to refer the matter to the Tribunal.

(5) The UK regulator may extend the period allowed under the notice for making representations.

(6) If, having considered any representations made by the Gibraltar-based person, the UK regulator decides—

(a) to impose the requirement or vary the requirement in the way proposed, or

(b) if the requirement has been imposed or varied, not to rescind its imposition or variation,

it must give the Gibraltar-based person a written notice.

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(7) A notice under sub-paragraph (6) must inform the Gibraltar-based person of the person's right to refer the matter to the Tribunal.

(8) If, having considered any representations made by the Gibraltar-based person, the UK regulator decides—

(a) not to impose the requirement or vary the requirement in the way proposed,

(b) to impose a different requirement or vary the requirement in a different way, or

(c) to rescind a requirement or variation which has effect,

it must give the Gibraltar-based person a written notice.

(9) A notice under sub-paragraph (8)(b) must comply with sub-paragraph (4).

(10) If a notice under this paragraph informs a person of the person's right to refer a matter to the Tribunal, it must give an indication of the procedure for such a reference.

(11) For the purposes of sub-paragraph (1)(c), whether a matter is open to review is to be determined in accordance with section 391(8).

UK regulator's initiative: procedure for cancellation

51 (1) If a UK regulator proposes to exercise a power under paragraph 49 to cancel a requirement imposed on a Gibraltar-based person, it must give the person a written notice.

(2) The notice must specify the date on which the cancellation takes effect.

Right to refer matters to the Tribunal

52 A Gibraltar-based person who is aggrieved by the exercise by a UK regulator of a power under paragraph 49 to impose a requirement on the person, or vary a requirement imposed on the person, may refer the matter to the Tribunal.

Assets requirements

53 (1) This paragraph makes provision about a requirement imposed on a Gibraltar-based person ("G") by a UK regulator under this Part of this Schedule—

(a) prohibiting the disposal of, or other dealing with, any of G's assets (whether in the United Kingdom, Gibraltar or elsewhere) or restricting such disposals or dealings, or

(b) requiring that some or all of G's assets, or some or all assets belonging to consumers (as defined in section 1G) but held by G or to G's order, must be transferred to and held by a trustee approved by the UK regulator.

(2) If a UK regulator—

(a) imposes a requirement described in sub-paragraph (1)(a), and

(b) gives notice of the requirement to an institution with whom G keeps an account,

the notice has the effects set out in sub-paragraph (3).

(3) Those effects are that—

(a) the institution does not act in breach of a contract with G if, having been instructed by G (or on G's behalf) to transfer a sum or otherwise make

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a payment out of G's account, it refuses to do so in the reasonably held belief that complying with the instruction would be incompatible with the requirement, and

(b) if the institution complies with such an instruction, it is liable to pay to the UK regulator an amount equal to the amount transferred from, or otherwise paid out of, G's account in contravention of the requirement.

(4) If a UK regulator imposes a requirement described in sub-paragraph (1)(b), no assets held by a person as trustee in accordance with the requirement may, while the requirement is in force, be released or dealt with except with the consent of the UK regulator.

(5) If, while a requirement described in sub-paragraph (1)(b) is in force, G creates a charge over any assets of G held in accordance with the requirement, the charge is (to the extent that it confers security over the assets) void against the liquidator and G's creditors.

(6) Assets held by a person as trustee are to be taken to be held by the trustee in accordance with a requirement mentioned in sub-paragraph (1)(b) only if—

(a) G has given the trustee a written notice that those assets are to be held by the trustee in accordance with the requirement, or

(b) they are assets into which assets to which paragraph (a) applies have been transposed by the trustee on the instruction of G.

(7) A person who contravenes sub-paragraph (4) commits an offence and is liable—

(a) on summary conviction in England and Wales, to a fine;

(b) on summary conviction in Scotland or Northern Ireland, to a fine not exceeding level 5 on the standard scale.

(8) In this paragraph, references to imposing a requirement (however expressed) include imposing a requirement by varying an existing requirement.

(9) In this paragraph, "charge" includes a mortgage (or, in Scotland, a security over property).

(10) Sub-paragraphs (4) and (6) do not affect any equitable interest or remedy in favour of a person who is a beneficiary of a trust as a result of a requirement described in sub-paragraph (1)(b).

Further provision about requirements

54 (1) A requirement imposed on a Gibraltar-based person under this Part of this Schedule may, among other things, be imposed so as to require the person—

(a) to take specified action, or

(b) to refrain from taking specified action.

(2) A requirement imposed under this Part of this Schedule may extend to activities which are not approved activities.

(3) A requirement imposed on a Gibraltar-based person under this Part of this Schedule may be imposed by reference to the person's relationship with—

(a) the person's group, or

(b) other members of the person's group.

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(4) A requirement imposed under this Part of this Schedule may be expressed to expire at the end of a specified period (but the imposition of such a requirement does not affect the UK regulator's powers to impose a new requirement).

(5) A requirement imposed on a Gibraltar-based person under this Part of this Schedule may refer to the past conduct of the person (for example, by requiring the person concerned to review or take remedial action in respect of past conduct).

Contravention of requirement imposed under this Part

55 (1) Contravention of a requirement imposed under this Part of this Schedule does not—

(a) make a person guilty of an offence,

(b) make a transaction void or unenforceable, or

(c) give rise to a right of action for breach of statutory duty, subject to sub-paragraph (2).

(2) A contravention of a requirement imposed under this Part of this Schedule is actionable at the suit of a person who suffers loss as a result of the contravention where—

(a) the action would be brought at the suit of a private person, or

(b) the conditions in sub-paragraph (3) are met,

subject to the defences and other incidents applying to actions for breach of statutory duty.

(3) The conditions mentioned in sub-paragraph (2)(b) are that—

(a) the action would be brought by a person acting in a fiduciary or representative capacity on behalf of a private person, and

(b) any remedy would be exclusively for the benefit of that private person and could not be obtained through an action brought otherwise than at the suit of the person acting in a fiduciary or representative capacity.

(4) Sub-paragraph (2) does not apply where the requirement contravened is a requirement to have or maintain financial resources.

(5) In this paragraph, "private person" has such meaning as may be prescribed.

PART 7

CHANGES

Duty to notify UK regulators of changes

56 (1) A UK regulator may direct that a change relating to a Gibraltar-based person with a Schedule 2A permission is subject to the requirements in this paragraph.

(2) A direction under sub-paragraph (1) may only be given in relation to a change relating to a matter about which information must be provided in a notification given to the UK regulator for the purposes of paragraph 12 or 22 (see paragraphs 15 and 24).

(3) Where, by virtue of a direction under sub-paragraph (1), a change is subject to the requirements in this paragraph, a Gibraltar-based person with a Schedule 2A permission must notify the following of the change—

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(a) the Gibraltar regulator;
(b) the UK regulator that gave the direction.

(4) A direction under sub-paragraph (1) in respect of a change may specify when the action described in sub-paragraph (3) must be taken in connection with the change.

(5) If a direction in respect of a change does not specify when the action described in sub-paragraph (3) must be taken in connection with the change, the action must be taken—
(a) before the change is made, where that is reasonably practicable, or
(b) otherwise, as soon as reasonably practicable after the change is made.

(6) A direction under this paragraph—
(a) may make different provision for different purposes, but
(b) may not make provision in relation to a specific Gibraltar-based person.

(7) A UK regulator that gives a direction under this paragraph may, by a further direction, vary or revoke the direction.

(8) The FCA must consult the Treasury before giving a direction under this paragraph.

(9) The PRA must consult the Treasury and the FCA before giving a direction under this paragraph.

(10) After giving a direction under this paragraph, a UK regulator must—
(a) publish the direction in the way appearing to the UK regulator to be best calculated to bring it to the attention of persons likely to be affected by it, and
(b) give a copy of the direction to the Treasury and the other UK regulator without delay.

PART 8

UK REGULATORS' DIRECTIONS ABOUT INFORMATION

Directions about information to be included in notifications

57 (1) A UK regulator may direct that a notification for the purposes of paragraph 12, 22, 32 or 44 in relation to which it is the appropriate UK regulator must include information specified in the direction.

(2) In a direction, a UK regulator may only specify information which it reasonably considers necessary to enable it to discharge functions conferred on it by or under this Act in relation to persons with a Schedule 2A permission.

(3) A UK regulator that gives a direction under this paragraph may, by a further direction, vary or revoke the direction.

(4) A direction under this paragraph—
(a) may make different provision for different purposes, but
(b) may not make provision in relation to a specific person.

(5) The FCA must consult the Treasury before giving a direction under this paragraph.

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(6) The PRA must consult the Treasury and the FCA before giving a direction under this paragraph.

(7) After giving a direction under this paragraph, a UK regulator must—

(a) publish the direction in the way appearing to the UK regulator to be best calculated to bring it to the attention of persons likely to be affected by it, and

(b) give a copy of the direction to the Treasury and the other UK regulator without delay.

PART 9

TRANSITION ON WITHDRAWAL OF APPROVAL OF REGULATED ACTIVITY ETC

Transition on withdrawal of approval of regulated activity

58 (1) Sub-paragraph (2) applies where—

(a) the Treasury withdraw their approval of a regulated activity for the purposes of this Schedule (by revoking or amending regulations under paragraph 5), and

(b) immediately before approval is withdrawn, a person had a Schedule 2A permission to carry on the activity.

(2) The regulated activity is to be treated as approved under this Schedule but—

(a) only so far as carried on by the person,

(b) subject to the time limit in sub-paragraph (3), and

(c) subject to any restriction under paragraph 60.

(3) The regulated activity ceases to be treated as approved under this Schedule by virtue of sub-paragraph (2)—

(a) at the end of the period specified by the Treasury by regulations, or

(b) if earlier, when an event listed in sub-paragraph (4) first occurs.

(4) Those events are—

(a) the person ceases to carry on the regulated activity in the United Kingdom;

(b) the person ceases to have permission from the Gibraltar regulator to carry on the corresponding activity in Gibraltar;

(c) the person ceases to have a Schedule 2A permission in respect of the activity;

(d) the person is given permission under Part 4A of this Act in respect of the activity;

(e) the Treasury approve the activity for the purposes of this Schedule (by making regulations under paragraph 5).

(5) Where the approval of the regulated activity referred to in sub-paragraph (1)(a) is subject to limitations, references in this Part of this Schedule to that activity are to that activity subject to those limitations.

(6) Where the withdrawal of the approval of the regulated activity referred to in sub-paragraph (1)(a) is subject to limitations, references in this Part of this Schedule to that activity are to that activity subject to those limitations.

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(7) For the purposes of sub-paragraph (4)(b) and (c), a person does not cease to have permission in respect of an activity while it has permission to carry on the activity by virtue of, and subject to the restrictions in, Part 10 of this Schedule.

Transition on Gibraltar activity ceasing to be corresponding activity

59 (1) Sub-paragraph (2) applies where—

(a) the Treasury provide that an activity which the Gibraltar regulator has authorised, or may authorise, a person to carry on in Gibraltar (a "Gibraltar activity") does not correspond to an approved activity (by revoking or amending regulations under paragraph 6), and

(b) immediately before they do so, a person had a Schedule 2A permission to carry on the approved activity by virtue of having permission from the Gibraltar regulator to carry the Gibraltar activity.

(2) For the purposes of this Schedule, the Gibraltar activity is to be treated as corresponding to the approved activity but—

(a) only so far as the approved activity is carried on by the person in the United Kingdom,

(b) subject to the time limit in sub-paragraph (3), and

(c) subject to any restriction under paragraph 60.

(3) The Gibraltar activity ceases to be treated as corresponding to the approved activity by virtue of sub-paragraph (2)—

(a) at the end of the period specified by the Treasury by regulations, or

(b) if earlier, when an event listed in sub-paragraph (4) first occurs.

(4) Those events are—

(a) the person ceases to carry on the approved activity in the United Kingdom;

(b) the person ceases to have permission from the Gibraltar regulator to carry on the Gibraltar activity;

(c) the person ceases to have a Schedule 2A permission in respect of the approved activity;

(d) the person is given permission under Part 4A of this Act in respect of the approved activity;

(e) the Treasury provide that the Gibraltar activity corresponds to the approved activity (by making regulations under paragraph 6).

(5) Where the provision made about the Gibraltar activity in regulations under paragraph 6 immediately before the Treasury make the provision described in sub-paragraph (1)(a) is subject to limitations, references in this Part of this Schedule to the Gibraltar activity are to that activity subject to those limitations.

(6) Where the provision made about the Gibraltar activity in the regulations under paragraph 6 referred to in sub-paragraph (1)(a) is subject to limitations, references in this Part of this Schedule to the Gibraltar activity are to that activity subject to those limitations.

(7) For the purposes of sub-paragraph (4)(b) and (c), a person does not cease to have permission in respect of an activity while it has permission to carry on the activity by virtue of, and subject to the restrictions in, Part 10 of this Schedule.

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Restricting transitional permission

60 (1) Sub-paragraph (2) applies where—

(a) by virtue of paragraph 58(1), a regulated activity is treated as approved under this Schedule so far as carried on by a person, or

(b) by virtue of paragraph 59(1), an activity which the Gibraltar regulator has authorised, or may authorise, a person to carry on in Gibraltar is treated as corresponding to an approved activity so far as the approved activity is carried on by a person.

(2) The appropriate UK regulator may decide that the person may only carry on the regulated activity or approved activity (as appropriate) in the United Kingdom so far as is necessary for one or more of the following purposes—

(a) for the performance of a protected contract;

(b) in order to reduce the financial risk of a party to a protected contract or a third party affected by the performance of a protected contract;

(c) in order to transfer the property, rights or liabilities under a protected contract to a person authorised to carry on a regulated activity by virtue of section 31(1)(a);

(d) in order to comply with a requirement imposed by or under an enactment.

(3) If it proposes to make a decision under sub-paragraph (2), the appropriate UK regulator must give the person a written notice.

(4) The notice must—

(a) give details of the proposed decision, and

(b) inform the person that the person may make representations to the appropriate UK regulator within the period specified in the notice.

(5) The appropriate UK regulator may extend the period allowed under the notice for making representations.

(6) If, having considered any representations made by the person, the appropriate UK regulator decides to restrict the person's activities as described in sub-paragraph (2), it must—

(a) give the person a written notice (“a restriction notice”), and

(b) inform the Gibraltar regulator in writing without delay.

(7) A restriction notice must—

(a) specify the date on which it takes effect,

(b) inform the person of the person's right to refer the matter to the Tribunal (see paragraph 62), and

(c) indicate the procedure on a reference to the Tribunal.

(8) The Treasury may by regulations provide that a restriction notice may not specify a date falling before the end of a period specified or described in the regulations.

(9) In this paragraph—

“the appropriate UK regulator” means—

(a) in the case of a PRA-authorised person, the PRA, and

(b) in any other case, the FCA;

“enactment” includes—

(a) assimilated legislation,

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(b) an enactment comprised in subordinate legislation,

(c) an enactment comprised in, or in an instrument made under, a Measure or Act of Senedd Cymru,

(d) an enactment comprised in, or in an instrument made under, an Act of the Scottish Parliament, and

(e) an enactment comprised in, or in an instrument made under, Northern Ireland legislation;

"protected contract" means a contract specified or described in a direction by the appropriate UK regulator under paragraph 61;

"subordinate legislation" has the same meaning as in the Interpretation Act 1978 (see section 21 of that Act).

(10) In this paragraph, references to the performance of a protected contract include the performance of an obligation under the contract which is contingent or conditional.

Directions about protected contracts

61 (1) A UK regulator may direct that a contract specified or described in the direction is a protected contract for the purposes of this Part of this Schedule.

(2) A UK regulator that gives a direction under this paragraph may, by a further direction, vary or revoke the direction.

(3) A direction under this paragraph may make different provision for different purposes, including different provision in connection with—

(a) different activities,

(b) different contracts or descriptions of contract, or

(c) different Gibraltar-based persons or descriptions of Gibraltar-based person.

(4) After giving a direction under this paragraph, a UK regulator must—

(a) publish the direction in the way appearing to the UK regulator to be best calculated to bring it to the attention of persons likely to be affected by it, and

(b) give a copy of the direction to the Treasury and the other UK regulator without delay.

Right to refer matters to the Tribunal

62 Where a person in respect of whom a decision under paragraph 60(2) is made is aggrieved by the decision, the person may refer the matter to the Tribunal.

Further powers

63 (1) The Treasury may by regulations extend the period under section 55V(1) or (2) for determining an application which—

(a) is for a Part 4A permission or a variation of a Part 4A permission, and

(b) relates only to the carrying on of an activity which the applicant is carrying on in the United Kingdom by virtue of this Part of this Schedule.

(2) The power under sub-paragraph (1) includes power to amend section 55V.

(3) The Treasury may by regulations extend the period for consideration of an application which—

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(a) is for approval under section 59 or variation of approval under section 59, and

(b) relates only to performance of a function in relation to the carrying on of an activity which the applicant is carrying on in the United Kingdom by virtue of this Part of this Schedule.

(4) The power under sub-paragraph (3) includes power to amend sections 61 and 63ZA.

PART 10

TRANSITION ON CANCELLATION OF UK OR GIBRALTAR PERMISSION

Transition on cancellation of Schedule 2A permission

64 (1) Sub-paragraphs (2), (4) and (5) apply where—

(a) a person's Schedule 2A permission is cancelled under Part 5 of this Schedule, or

(b) a person's Schedule 2A permission is varied under Part 4 of this Schedule so as to remove permission to carry on an activity (including by adding or varying a limitation).

(2) The person is to be treated as continuing to have the Schedule 2A permission, or the permission to carry on the activity, but—

(a) only so far as is necessary for one or more of the purposes described in sub-paragraph (3), and

(b) subject to the time limit in paragraph 68.

(3) The purposes are—

(a) for the performance of a protected contract;

(b) to reduce the financial risk of a party to a protected contract or a third party affected by the performance of a protected contract;

(c) to transfer the property, rights or liabilities under a protected contract to a person authorised to carry on a regulated activity by virtue of section 31(1)(a);

(d) to comply with a requirement imposed by or under an enactment.

(4) A UK regulator may exercise the powers under paragraph 49(1) (UK regulator's initiative: imposing, varying and cancelling requirements) in relation to the person if it appears to the UK regulator that it is desirable to do so in order to advance—

(a) in the case of the FCA, one or more of its operational objectives, or

(b) in the case of the PRA, one of its objectives.

(5) For the purposes of section 33 (withdrawal of authorisation) a person's Schedule 2A permission is to be treated as being cancelled when the person ceases to be treated as having a Schedule 2A permission by virtue of this paragraph.

(6) In this paragraph—

"enactment" has the same meaning as in paragraph 60;

"protected contract" means—

(a) an existing contract, or

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(b) a contract specified or described in a direction by the appropriate UK regulator under paragraph 67(1).

(7) In sub-paragraph (6), "existing contract", in relation to a person referred to in sub-paragraph (1), means a contract entered into before the person's permission is cancelled or varied as described in that sub-paragraph, but—

(a) does not include a contract specified or described in a direction under paragraph 67(2), and

(b) except as otherwise provided in such a direction, does not include—

(i) a variation of a contract agreed on or after that day, or

(ii) a contract renewed on or after that day.

(8) In this paragraph, references to the performance of a protected contract include the performance of an obligation under the contract which is contingent or conditional.

Transition on cancellation of Gibraltar permission

65 (1) Sub-paragraphs (2) and (4) apply where the Gibraltar regulator—

(a) cancels a Gibraltar-based person's permission to carry on in Gibraltar an activity in relation to which the person has a Schedule 2A permission, or

(b) varies such a permission so as to remove permission to carry on such an activity (including by adding or varying a restriction).

(2) For the purposes of this Schedule, the person is to be treated as continuing to have the permission from the Gibraltar regulator but—

(a) only so far as is necessary for one or more of the purposes described in sub-paragraph (3), and

(b) subject to the time limit in paragraph 68.

(3) The purposes are—

(a) for the performance of a protected contract;

(b) to reduce the financial risk of a party to a protected contract or a third party affected by the performance of a protected contract;

(c) to transfer the property, rights or liabilities under a protected contract to a person authorised to carry on a regulated activity by virtue of section 31(1)(a);

(d) to comply with a requirement imposed by or under an enactment.

(4) A UK regulator may exercise the powers under paragraph 49(1) (UK regulator's initiative: imposing, varying and cancelling requirements) in relation to the person if it appears to the UK regulator that it is desirable to do so in order to advance—

(a) in the case of the FCA, one or more of its operational objectives, or

(b) in the case of the PRA, one of its objectives.

(5) In this paragraph—

"enactment" has the same meaning as in paragraph 60;

"protected contract" means—

(a) an existing contract, or

(b) a contract specified or described in a direction by the appropriate UK regulator under paragraph 67(1).

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(6) In sub-paragraph (5), "existing contract", in relation to a person referred to in sub-paragraph (1), means a contract entered into before the person's permission is cancelled or varied as described in that sub-paragraph, but—

(a) does not include a contract specified or described in a direction under paragraph 67(2), and

(b) except as otherwise provided in such a direction, does not include—

(i) a variation of a contract agreed on or after that day, or

(ii) a contract renewed on or after that day.

(7) In this paragraph, references to the performance of a protected contract include the performance of an obligation under the contract which is contingent or conditional.

The appropriate UK regulator

66 (1) In this Part of this Schedule, "the appropriate UK regulator" means—

(a) the PRA, in a case in which the Gibraltar-based person is a PRA-authorised person but not a paragraph 37(1) person, or

(b) the FCA, in any other case.

(2) In this paragraph, "a paragraph 37(1) person" means a person who is treated as having a Schedule 2A permission by virtue of paragraph 64 following the cancellation of that permission by the FCA under paragraph 37(1).

Directions about protected contracts

67 (1) A UK regulator may direct that a contract specified or described in the direction is a protected contract for the purposes of paragraph 64 or 65 (or both).

(2) A UK regulator may, by giving a direction, modify the definition of "existing contract" for the purposes of paragraph 64 or 65 (or both) in the ways provided for in the definitions of that term in those paragraphs.

(3) A UK regulator that gives a direction under this paragraph may, by a further direction, vary or revoke the direction.

(4) A UK regulator may give different directions under this paragraph in connection with—

(a) different activities,

(b) different contracts or descriptions of contract, or

(c) different Gibraltar-based persons or descriptions of Gibraltar-based person.

(5) After giving a direction under this paragraph, a UK regulator must—

(a) publish the direction in the way appearing to the UK regulator to be best calculated to bring it to the attention of persons likely to be affected by it, and

(b) give a copy of the direction to the Treasury and the other UK regulator without delay.

End of transition

68 (1) A Gibraltar-based person ceases to be treated as having a permission by virtue of paragraph 64 or 65—

(a) when an event listed in sub-paragraph (2) first occurs, or

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(b) if the appropriate UK regulator specifies an earlier date, on that date.

(2) Those events are—

(a) the person ceases to carry on the regulated activity in the United Kingdom;

(b) the person is given permission under Part 4A of this Act in respect of the regulated activity;

(c) the regulated activity ceases to be an approved activity;

(d) the person obtains (as appropriate)—

(i) a new Schedule 2A permission to carry on the activity referred to in paragraph 64(1), or

(ii) a new permission from the Gibraltar regulator to carry on the activity referred to in paragraph 65(1).

(3) If the appropriate UK regulator specifies a date for the purposes of sub-paragraph (1)(b), it may vary the date but only by specifying a later date.

(4) In sub-paragraph (2), references to "the regulated activity" are references (as appropriate) to—

(a) the regulated activity in respect of which the Gibraltar-based person is treated as having a Schedule 2A permission by virtue of paragraph 64, or

(b) the regulated activity corresponding to the activity in respect of which the Gibraltar-based person is treated as having permission from the Gibraltar regulator by virtue of paragraph 65.

(5) For the purposes of sub-paragraph (2)(c), a regulated activity does not cease to be an approved activity while it is treated as approved in relation to the Gibraltar-based person under Part 9 of this Schedule (with or without the restrictions under that Part).

End of transition: procedure

69 (1) If a UK regulator proposes to specify or vary a date in relation to a person under paragraph 68(1)(b) or (3), it must give the person a warning notice.

(2) If a UK regulator decides to specify or vary a date in relation to a person under paragraph 68(1)(b) or (3), it must give the person a decision notice.

Right to refer matters to the Tribunal

70 If a UK regulator gives a Gibraltar-based person a decision notice under paragraph 69, the person may refer the matter to the Tribunal.

PART 11

POLICY STATEMENTS

Policy statements

71 (1) Each UK regulator must prepare and issue a statement of its policy with respect to—

(a) its powers to vary or cancel a Schedule 2A permission under Part 4 or 5 of this Schedule other than on a notification by the Gibraltar regulator,

(b) its powers to impose, vary or cancel requirements under Part 6 of this Schedule, other than on a notification by the Gibraltar regulator, and

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(c) its power to give directions under Part 7 of this Schedule.

(2) Where a UK regulator has issued a statement under sub-paragraph (1), it may prepare and issue a revised statement.

(3) In exercising a power described in sub-paragraph (1), a UK regulator must have regard to any relevant statement of policy issued under this paragraph and in force at the time.

Policy statements: procedure

72 (1) Before issuing a statement under paragraph 71(1) or (2), a UK regulator must—

(a) publish a draft of the proposed statement in the way appearing to it to be best calculated to bring it to the attention of the public,

(b) publish a notice stating that representations may be made to the UK regulator within the period specified in the notice, and

(c) have regard to any representations made to it in accordance with the notice.

(2) If the UK regulator issues the proposed statement, it must publish—

(a) the statement, and

(b) an account in general terms of—

(i) the representations made to it in accordance with the notice, and

(ii) its response to them.

(3) If the statement issued differs from the draft published under sub-paragraph (1) in a way which, in the opinion of the UK regulator, is significant, the UK regulator must publish details of the differences (as well as complying with sub-paragraph (2)).

(4) A UK regulator—

(a) must give a copy of a statement issued under paragraph 71(1) or (2) to the Treasury before publishing it, and

(b) may charge a reasonable fee for providing a person with a copy of such a statement or a draft statement published under this paragraph.

(5) Anything published by a UK regulator under this paragraph must be published in the way appearing to the UK regulator to be best calculated to bring it to the attention of the public.

PART 12

CONSULTATION ETC BY UK REGULATORS

FCA's duties to consult the PRA

73 (1) The FCA must consult the PRA before—

(a) rejecting a notification under paragraph 19 in a case in which the person with responsibility for managing an aspect of the Gibraltar-based person's affairs is prohibited by an order under section 56 from performing a function in relation to an activity carried on by a PRA-authorised person, or

(b) rejecting a notification under paragraph 20 in a case in which a relevant access right that was lost related to a PRA-regulated activity.

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(2) The FCA must consult the PRA before doing any of the following in a case in which the Gibraltar-based person is a PRA-authorised person or a member of a group that includes a PRA-authorised person—

(a) rejecting a notification under paragraph 26(5);
(b) varying a Schedule 2A permission under paragraph 27;
(c) rejecting a notification under paragraph 36(4);
(d) cancelling a Schedule 2A permission under paragraph 37(1);
(e) imposing a requirement under paragraph 41(3);
(f) rejecting a notification under paragraph 48(4);
(g) imposing, varying or cancelling a requirement under paragraph 49(2).

FCA's duties to obtain consent from the PRA

74 (1) The FCA must obtain the PRA's consent before exercising its power under paragraph 27 in relation to a PRA-authorised person so as to—

(a) add an activity to those to which the person's Schedule 2A permission relates, or
(b) widen the description of an activity to which the person's Schedule 2A permission relates.

(2) Sub-paragraph (1) does not apply in relation to the regulated activity specified in article 63S of the Financial Services and Markets 2000 (Regulated Activities) Order 2001 (S.I. 2001/544) (administering a benchmark).

(3) Consent given by the PRA for the purposes of this paragraph may be conditional on the way in which the FCA exercises its power.

FCA's duties to inform the PRA

75 (1) The FCA must inform the PRA in writing without delay after rejecting a notification under—

(a) paragraph 18(2) or (3), 19 or 20;
(b) paragraph 26(4) or (5);
(c) paragraph 36(4);
(d) paragraph 48(4).

(2) The FCA must inform the PRA in writing without delay after imposing, varying or cancelling a requirement under paragraph 41(3) or 49(2).

PRA's duties to consult the FCA

76 (1) The PRA must consult the FCA before—

(a) giving a confirmation notice under paragraph 16;
(b) rejecting a notification under paragraph 19 or 20;
(c) giving a confirmation notice under paragraph 25;
(d) rejecting a notification under paragraph 26(5);
(e) varying a Schedule 2A permission under paragraph 27;
(f) giving a confirmation notice under paragraph 35;
(g) rejecting a notification under paragraph 36(5);
(h) cancelling a Schedule 2A permission under paragraph 37(2);

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(i) imposing a requirement under paragraph 41(4);
(j) giving a confirmation notice under paragraph 47;
(k) rejecting a notification under paragraph 48(5);
(l) imposing, varying or cancelling a requirement under paragraph 49(3);
(m) giving a notice under paragraph 60;
(n) giving a direction under paragraph 61;
(o) giving a direction under paragraph 67.

(2) The PRA must—
(a) consult the FCA before publishing a draft statement under paragraph 72, and
(b) if the final version of the statement is to differ from the draft in a way which, in the opinion of the PRA, is significant, consult the FCA again before issuing it.

PRA's duty to obtain consent from the FCA

77 (1) The PRA must obtain the FCA's consent before exercising its power under paragraph 27 so as to—
(a) add an activity to those to which a Schedule 2A permission relates, or
(b) widen the description of an activity to which a Schedule 2A permission relates.

(2) Consent given by the FCA for the purposes of this paragraph may be conditional on the way in which the PRA exercises its power.

PRA's duties to inform the FCA

78 (1) When the PRA receives a notification for the purposes of a provision listed in the first column of the following table, it must give a copy to the FCA without delay, except where it rejects the notification under the provision listed in the second column (notification incomplete)—

Notification for the purposes of	***Rejection under***
paragraph 12	paragraph 18(1)
paragraph 22	paragraph 26(3)
paragraph 32	paragraph 36(3)
paragraph 44	paragraph 48(3).

(2) The PRA must inform the FCA in writing without delay after rejecting a notification under—
(a) paragraph 18(2) or (3), 19 or 20;
(b) paragraph 26(4) or (5);
(c) paragraph 36(5);
(d) paragraph 48(5).

(3) The PRA must inform the FCA in writing without delay after imposing, varying or cancelling a requirement under paragraph 41(4) or 49(3).

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UK regulators' duties to inform the Gibraltar regulator

79 (1) A UK regulator must inform the Gibraltar regulator in writing before giving a confirmation notice under—

(a) paragraph 16,

(b) paragraph 25,

(c) paragraph 35, or

(d) paragraph 47.

(2) A UK regulator must inform the Gibraltar regulator in writing without delay after—

(a) varying a Schedule 2A permission under paragraph 27,

(b) cancelling a Schedule 2A permission under paragraph 37,

(c) imposing a requirement under paragraph 41, or

(d) imposing, varying or cancelling a requirement under paragraph 49.

PART 13

CO-OPERATION AND ASSISTANCE

Duties to co-operate

80 (1) Each of the FCA, the PRA and the scheme manager must take such steps as they consider appropriate, for the purposes in sub-paragraph (2), to co-operate—

(a) with each other and the Treasury ("the UK entities"), and

(b) with the government of Gibraltar and the Gibraltar regulator ("the Gibraltar entities").

(2) Those purposes are—

(a) to secure that they, and the Treasury, are able to perform their functions under this Schedule and section 32A, and

(b) to secure that, so far as is reasonably possible, there is co-operation between the UK entities and the Gibraltar entities which the Treasury, having regard to the objectives in paragraph 7(1), consider adequate.

(3) For the purposes of sub-paragraph (2), the FCA, the PRA and the scheme manager must, among other things, have regard to—

(a) the memoranda and arrangements described in paragraph 9(4)(a) to (d),

(b) reports laid before Parliament by the Treasury under section 32A, and

(c) any guidance published by the Treasury.

(4) Each of the FCA, the PRA and the scheme manager must ensure that one or more memoranda describing how it intends to comply with sub-paragraph (1) are prepared and maintained.

(5) The steps taken for the purposes of sub-paragraph (1) may include arrangements for the sharing of information which the FCA, the PRA or the scheme manager is not prevented from disclosing.

(6) When carrying out functions under this Schedule, the FCA and the PRA must, among other things, have regard to any relevant arrangements in force at the time for co-operation between the UK entities or for co-operation between those entities and the Gibraltar entities.

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Publication and review of arrangements for co-operation

81 (1) Each of the FCA, the PRA and the scheme manager must—

(a) ensure that a copy of each memorandum describing how it intends to comply with paragraph 80(1), and of any other document recording arrangements that it enters into for the purpose of complying with paragraph 80(1), is given to the Treasury (unless the Treasury also entered into the arrangement),

(b) ensure that each memorandum is published in the way appearing to it to be best calculated to bring it to the attention of the public, and

(c) review the memoranda that it has in place for the purpose of complying with paragraph 80(1) at least once in each of the reporting periods described in section 32A.

(2) Where the Treasury enter into arrangements with the FCA, the PRA, the scheme manager, the government of Gibraltar or the Gibraltar regulator for a purpose described in paragraph 80(2), they must—

(a) ensure that any memorandum recording the arrangements is published in the way appearing to the Treasury to be best calculated to bring it to the attention of the public, and

(b) review the memoranda that the Treasury have in place for a purpose described in paragraph 80(2) at least once in each of the reporting periods described in section 32A.

(3) The Treasury must lay before Parliament a copy of any memorandum—

(a) given to them under sub-paragraph (1), or

(b) published in accordance with sub-paragraph (2)(a).

Provision of reports to assist the Treasury

82 (1) A UK regulator or the scheme manager must, on a request from the Treasury, prepare and send to the Treasury a report on a matter specified in the request.

(2) The Treasury may only make a request under this paragraph for a report that they reasonably require in connection with the exercise of their functions under—

(a) this Schedule, or

(b) section 32A.

(3) A request for a report under this paragraph—

(a) must be made in writing, and

(b) may require the UK regulator or scheme manager to send the report to the Treasury before a date specified in the request.

PART 14

SPECIAL CASES

Gibraltar-based individuals carrying on insurance distribution activities

83 (1) For the purposes of paragraph 1, an individual without a head office in Gibraltar is to be treated as having a head office there if the individual—

(a) is normally resident in Gibraltar, and

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(b) has permission from the Gibraltar regulator to carry on an insurance distribution activity in Gibraltar.

(2) A notification for the purposes of paragraph 12 in respect of an individual who is a Gibraltar-based person by virtue of this paragraph satisfies paragraph 15(1)(b) if it states the main address where the individual carries on an insurance distribution activity in Gibraltar.

(3) The Treasury may by regulations replace the requirement in sub-paragraph (1)(a) with a different requirement relating to residence in Gibraltar.

(4) In this paragraph, "insurance distribution activity" has the meaning given in paragraph 2B(5) and (6) of Schedule 6.**]**

SCHEDULE 3 Sections 31(1)(b) and 37.

EEA PASSPORT RIGHTS

Modifications etc. (not altering text)

C1683 Sch. 3 extended (with modifications) (1.12.2001) by S.I. 2001/2636, **arts. 1(2)(b)**, 25-27; S.I. 2001/3538, **art. 2(1)**
Sch. 3 extended (with modifications) (Gibraltar) (5.10.2001 for specified purposes, 1.12.2001 in so far as not already in force) by S.I. 2001/3084, arts. 1(1), **2-4** (as amended (16.6.2014) by The Alternative Investment Fund Managers Order 2014 (S.I. 2014/1292), arts. 1(2), **3** (which amending S.I. is itself amended by S.I. 2014/1313, arts. 1, **2(a)**); and as amended (31.12.2020) by S.I. 2019/589, regs. 1(3), **5-9** (with reg. 12) (as amended by S.I. 2020/1274, regs. 1, **2**)); S.I. 2001/3538, **art. 2(1)**
Sch. 3 modified (1.12.2001) by S.I. 2001/3592, **arts. 1(2)**, 114(3)(b), 128(3)(b) (with art. 23(2))

PART I

DEFINED TERMS

The single market directives

1 "The single market directives" means—

[F3607(a) the **[**F3608capital requirements directive**];]**

F3609(c) . . . . . .

F3610(ca) . . . . . .

(d) the **[**F3611markets in financial instruments directive**][**F3612; F3613...

(e) **[**F3614the insurance distribution directive**]][**F3615; F3616...

(f) the UCITS directive**][**F3617; F3618...

(g) the alternative investment fund managers directive**][**F3619; and

(h) the mortgages directive.**]**

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Textual Amendments

F3607 Sch. 3 para. 1(a) substituted (22.11.2000) for Sch. 3 para. 1(a)(b) by S.I. 2000/2952, **reg. 8(5)(a)**

F3608 Words in Sch. 3 para. 1(a) substituted (1.1.2014) by The Capital Requirements Regulations 2013 (S.I. 2013/3115), reg. 1(2), **Sch. 2 para. 29(2)**

F3609 Sch. 3 para. 1(c) omitted (31.12.2024) by virtue of The Insurance and Reinsurance Undertakings (Prudential Requirements) (Amendment and Miscellaneous Provisions) Regulations 2024 (S.I. 2024/1083), regs. 1(2)(b), **9(a)**

F3610 Sch. 3 para. 1(ca) omitted (1.1.2016) by virtue of The Solvency 2 Regulations 2015 (S.I. 2015/575), reg. 1(2), **Sch. 1 para. 17(2)(b)**

F3611 Words in Sch. 3 para. 1(d) substituted (1.4.2007 for certain purposes, otherwise 1.11.2007) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2007 (S.I. 2007/126), regs. 1(2), 3(4), **Sch. 4 para. 2**

F3612 Sch. 3 para. 1(e) and preceding word inserted (14.1.2005) by The Insurance Mediation Directive (Miscellaneous Amendments) Regulations 2003 (S.I. 2004/1473), **reg. 2(2)(a)(ii)**

F3613 Word in Sch. 3 para. 1(d) omitted (13.2.2004) by virtue of The Collective Investment Schemes (Miscellaneous Amendments) Regulations 2003 (S.I. 2003/2066), **reg. 2(2)(a)(i)**

F3614 Words in Sch. 3 para. 1(e) substituted (1.10.2018) by The Insurance Distribution (Regulated Activities and Miscellaneous Amendments) Order 2018 (S.I. 2018/546), arts. 1(2), **17(2)**

F3615 Sch. 3 para. 1(f) and preceding word inserted (13.2.2004) after Sch. 3 para. 1(e) by The Collective Investment Schemes (Miscellaneous Amendments) Regulations 2003 (S.I. 2003/2066), **reg. 2(2)(a)(i)**

F3616 Word in Sch. 3 para. 1(e) omitted (22.7.2013) by virtue of The Alternative Investment Fund Managers Regulations 2013 (S.I. 2013/1773), reg. 1, **Sch. 1 para. 34(2)**

F3617 Sch. 3 para. 1(g) and word inserted (22.7.2013) by The Alternative Investment Fund Managers Regulations 2013 (S.I. 2013/1773), reg. 1, **Sch. 1 para. 34(2)**

F3618 Word in Sch. 3 para. 1(f) omitted (20.4.2015 for specified purposes, 21.12.2015 for specified purposes, 21.3.2016 in so far as not already in force) by virtue of The Mortgage Credit Directive Order 2015 (S.I. 2015/910), art. 1(5), **Sch. 1 para. 1(10)(a)(i)** (with Pt. 4)

F3619 Sch. 3 para. 1(h) and word inserted (20.4.2015 for specified purposes, 21.12.2015 for specified purposes, 21.3.2016 in so far as not already in force) by The Mortgage Credit Directive Order 2015 (S.I. 2015/910), art. 1(5), **Sch. 1 para. 1(10)(a)(ii)** (with Pt. 4)

Commencement Information

I86 Sch. 3 Pt. I para. 1 wholly in force at 1.12.2001; Sch. 3 Pt. I para. 1 not in force at Royal Assent see s. 431(2); Sch. 3 Pt. I para. 1 in force for certain purposes at 25.2.2001 by S.I. 2001/516, art. 2(b)(c), Sch. Pts. 2, **3**; Sch. 3 Pt. I para. 1 in force for specified purposes at 18.6.2001 by S.I. 2001/1820, art. 2, **Sch.**; Sch. 3 Pt. I para. 1 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**

The banking co-ordination directives

F3620 2 . . . . . .

Textual Amendments

F3620 Sch. 3 para. 2 omitted (1.1.2014) by virtue of The Capital Requirements Regulations 2013 (S.I. 2013/3115), reg. 1(2), **Sch. 2 para. 29(3)**

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[F3621 The Solvency 2 Directive]

Textual Amendments

F3621 Sch. 3 para. 3 and cross-heading substituted (1.1.2016) by The Solvency 2 Regulations 2015 (S.I. 2015/575), reg. 1(2), **Sch. 1 para. 17(3)**

F3622 3 . . . . . .

Textual Amendments

F3622 Sch. 3 para. 3 omitted (31.12.2024) by virtue of The Insurance and Reinsurance Undertakings (Prudential Requirements) (Amendment and Miscellaneous Provisions) Regulations 2024 (S.I. 2024/1083), regs. 1(2)(b), **9(b)**

[F3623 The reinsurance directive]

Textual Amendments

F3623 Sch. 3 para. 3A and cross-heading inserted (10.12.2007) by The Reinsurance Directive Regulations 2007 (S.I. 2007/3253), reg. 2(1), **Sch. 1 para. 6(b)**

F3624 3A . . . . . .

Textual Amendments

F3624 Sch. 3 para. 3A omitted (1.1.2016) by virtue of The Solvency 2 Regulations 2015 (S.I. 2015/575), reg. 1(2), **Sch. 1 para. 17(4)**

The investment services directive

4 F3625 . . . . . .

Textual Amendments

F3625 Sch. 3 para. 4 repealed (1.4.2007 for certain purposes and 1.11.2007 otherwise) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2007 (S.I. 2007/126), regs. 1(2), 3(4), **Sch. 4 para. 3**

[F3626 The insurance distribution directive

Textual Amendments

F3626 Sch. 3 para. 4A and cross-heading substituted (1.10.2018) by The Insurance Distribution (Regulated Activities and Miscellaneous Amendments) Order 2018 (S.I. 2018/546), arts. 1(2), **17(3)**

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4A "The insurance distribution directive" means Directive (EU) 2016/97 of the European Parliament and of the Council of 20 January 2016 on insurance distribution (recast) as amended by Directive (EU) 2018/411 of the European Parliament and of the Council of 14 March 2018**]**.

[*F3627**The UCITS directive*

Textual Amendments

F3627 Sch. 3 para. 4B and cross-heading inserted (13.2.2004) by The Collective Investment Schemes (Miscellaneous Amendments) Regulations 2003 (S.I. 2003/2066), **reg. 2(2)(b)**

[F3628 4B "The UCITS directive " means the Directive of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (No 2009/65/EC) **[**F3629, as amended by Directive 2014/91/EU of the European Parliament and of the Council of 23rd July 2014**].]]**

Textual Amendments

F3628 Sch. 3 para. 4B substituted (1.7.2011) by The Undertakings for Collective Investment in Transferable Securities Regulations 2011 (S.I. 2011/1613), **reg. 2(33)(a)**

F3629 Words in Sch. 3 para. 4B inserted (18.3.2016) by The Undertakings for Collective Investment in Transferable Securities Regulations 2016 (S.I. 2016/225), regs. 1, **2(9)**

[*F3630**The markets in financial instruments directive**]***

Textual Amendments

F3630 Sch. 3 para. 4C and preceding cross-heading inserted (6.12.2006) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) (Modification of Powers) Regulations 2006 (S.I. 2006/2975), **reg. 13**

[F3631 4C "The markets in financial instruments directive" means Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments.**]**

Textual Amendments

F3631 Sch. 3 para. 4C substituted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 2 para. 54(2)** (with reg. 7)

The emission allowance auctioning regulation

[F3632 4D. "The emission allowance auctioning regulation" means Commission Regulation (EU) No 1031/2010 of 12 November 2010 on the timing, administration and other aspects of auctioning of greenhouse gas emission allowances pursuant to Directive

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2003/87/ EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community.**]**

Textual Amendments

F3632 Sch. 3 para. 4D inserted (20.7.2012) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2012 (S.I. 2012/1906), arts. 1, **4(2)**

[F3633 The alternative investment fund managers directive

Textual Amendments

F3633 Sch. 3 para. 4E and cross-heading inserted (22.7.2013) by The Alternative Investment Fund Managers Regulations 2013 (S.I. 2013/1773), reg. 1, **Sch. 1 para. 34(3)**

4E. "The alternative investment fund managers directive" means Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers.**]**

[F3634 The mortgages directive

Textual Amendments

F3634 Sch. 3 para. 4F and cross-heading inserted (20.4.2015 for specified purposes, 21.12.2015 for specified purposes, 21.3.2016 in so far as not already in force) by The Mortgage Credit Directive Order 2015 (S.I. 2015/910), art. 1(5), **Sch. 1 para. 1(10)(b)** (with Pt. 4)

4F. "The mortgages directive" means Directive 2014/17/EU of the European Parliament and of the Council of 4th February 2014 on credit agreements for consumers relating to residential immovable property and amending Directives 2008/48/EC and 2013/36/EU and Regulation (EU) No 1093/2010.**]**

EEA firm

5 "EEA firm" means any of the following if it does not have its **[**F3635 relevant office**]** in the United Kingdom—

(a) an investment firm (as defined in **[**F3636 Article 4.1.1 of the markets in financial instruments directive**]**) which is authorised (within the meaning of **[**F3637 Article 5**]**) by its home state regulator;

[F3638 (b) a credit institution (as defined in Article 4(1)(1) of the capital requirements regulation) which is authorised (within the meaning of Article 8 of the capital requirements directive) by its home state regulator;**]**

[F3639 (c) a financial institution (as defined in Article 4(1)(26) of the capital requirements regulation) which is a subsidiary of the kind mentioned in Article 34 of the capital requirements directive and which fulfils the conditions of that Article;**]**

F3640 (d) . . . . . .

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F3640(da) . . . . . .

[F3641(e) an insurance intermediary (as defined in Article 2.1(3) of the insurance distribution directive), an ancillary insurance intermediary (as defined in Article 2.1(4) of that directive) or a reinsurance intermediary (as defined in Article 2.1(5) of that directive), which is registered with its home state regulator under Article 3 of that directive;**]**

[F3642(f) a management company (as defined in paragraph 11B) which is authorised (within the meaning of Article 6 of the UCITS directive) by its home state regulator**][**F3643, F3644...

(g) a person who has received authorisation under Article 18.2 of the emission allowance auctioning regulation**][**F3645, F3646...

(h) an AIFM (as defined in Article 4.1(b) of the alternative investment fund managers directive) which is authorised (in accordance with Article 6.1 of that directive) by its home state regulator**][**F3647; or

(i) a mortgage intermediary which is admitted (in accordance with Article 29(1) of the mortgages directive) by its home state regulator to carry out all or part of the credit intermediation activities set out in Article 4(5) of that directive or to provide advisory services (as defined in Article 4(21) of that directive).**]**

Textual Amendments

F3635 Words in Sch. 3 para. 5 substituted (14.1.2005) by The Insurance Mediation Directive (Miscellaneous Amendments) Regulations 2003 (S.I. 2003/1473). {reg. 2(c)(i)}

F3636 Words in Sch. 3 para. 5(a) substituted (1.4.2007 for certain purposes, otherwise 1.11.2007) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2007 (S.I. 2007/126), regs. 1(2), 3(4), **Sch. 4 para. 4(a)**

F3637 Words in Sch. 3 para. 5(a) substituted (1.4.2007 for certain purposes, otherwise 1.11.2007) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2007 (S.I. 2007/126), regs. 1(2), 3(4), **Sch. 4 para. 4(b)**

F3638 Sch. 3 para. 5(b) substituted (1.1.2014) by The Capital Requirements Regulations 2013 (S.I. 2013/3115), reg. 1(2), **Sch. 2 para. 29(4)**

F3639 Sch. 3 para. 5(c) substituted (1.1.2014) by The Capital Requirements Regulations 2013 (S.I. 2013/3115), reg. 1(2), **Sch. 2 para. 29(5)**

F3640 Sch. 3 para. 5(d)(da) omitted (31.12.2024) by virtue of The Insurance and Reinsurance Undertakings (Prudential Requirements) (Amendment and Miscellaneous Provisions) Regulations 2024 (S.I. 2024/1083), regs. 1(2)(b), **9(c)**

F3641 Sch. 3 para. 5(e) substituted (1.10.2018) by The Insurance Distribution (Regulated Activities and Miscellaneous Amendments) Order 2018 (S.I. 2018/546), arts. 1(2), **17(4)**

F3642 Sch. 3 para. 5(f) substituted (1.7.2011) by The Undertakings for Collective Investment in Transferable Securities Regulations 2011 (S.I. 2011/1613), **reg. 2(33)(b)**

F3643 Sch. 3 para. 5(g) and preceding word inserted (20.7.2012) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2012 (S.I. 2012/1906), arts. 1, **4(3)(b)**

F3644 Word in Sch. 3 para. 5(f) omitted (22.7.2013) by virtue of The Alternative Investment Fund Managers Regulations 2013 (S.I. 2013/1773), reg. 1, **Sch. 1 para. 34(4)**

F3645 Sch. 3 para. 5(h) and word inserted (22.7.2013) by The Alternative Investment Fund Managers Regulations 2013 (S.I. 2013/1773), reg. 1, **Sch. 1 para. 34(4)**

F3646 Word in Sch. 3 para. 5(g) omitted (20.4.2015 for specified purposes, 21.12.2015 for specified purposes, 21.3.2016 in so far as not already in force) by virtue of The Mortgage Credit Directive Order 2015 (S.I. 2015/910), art. 1(5), **Sch. 1 para. 1(10)(c)(i)** (with Pt. 4)

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F3647 Sch. 3 para. 5(i) and word inserted (20.4.2015 for specified purposes, 21.12.2015 for specified purposes, 21.3.2016 in so far as not already in force) by The Mortgage Credit Directive Order 2015 (S.I. 2015/910), art. 1(5), **Sch. 1 para. 1(10)(c)(ii)** (with Pt. 4)

Commencement Information

I87 Sch. 3 Pt. I para. 5 wholly in force at 1.12.2001; Sch. 3 Pt. I para. 5 not in force at Royal Assent see s. 431(2); Sch. 3 Pt. I para. 5 in force for certain purposes at 25.2.2001 by S.I. 2001/516, art. 2(b)(c), Sch. Pts. 2, **3**; Sch. 3 Pt. I para. 5 in force for specified purposes at 18.6.2001 by S.I. 2001/1820, **art. 2 Sch.**; Sch. 3 Pt. I para. 5 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**

[F3648 5A In paragraph 5, "relevant office" means—

(a) in relation to a firm falling within sub-paragraph (e) **[**F3649 or (i)**]** of that paragraph which has a registered office, its registered office;

[F3650 (aa) in relation to a firm falling within sub-paragraph (h) of that paragraph, its registered office;**]**

(b) in relation to any other firm, its head office.**]**

Textual Amendments

F3648 Sch. 3 para. 5A inserted (14.1.2005) by The Insurance Mediation Directive (Miscellaneous Amendments) Regulations 2003 (S.I. 2003/1473), **reg. 2(2)(d)**

F3649 Words in Sch. 3 para. 5A(a) inserted (20.4.2015 for specified purposes, 21.12.2015 for specified purposes, 21.3.2016 in so far as not already in force) by The Mortgage Credit Directive Order 2015 (S.I. 2015/910), art. 1(5), **Sch. 1 para. 1(10)(d)** (with Pt. 4)

F3650 Sch. 3 para. 5A(aa) inserted (22.7.2013) by The Alternative Investment Fund Managers Regulations 2013 (S.I. 2013/1773), reg. 1, **Sch. 1 para. 34(5)**

EEA authorisation

F3651 6 . . . . . .

Textual Amendments

F3651 Sch. 3 para. 6 omitted (31.12.2020) by virtue of The Financial Services (Miscellaneous) (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/710), regs. 1(3), **3(3)** (with regs. 36, 37, Sch.); 2020 c. 1, Sch. 5 para. 1(1)

EEA right

7 "EEA right" means the entitlement of a person to establish a branch, or provide services, in an EEA State other than that in which he has his **[**F3652 relevant office**]**—

(a) in accordance with the Treaty as applied in the EEA; and

(b) subject to the conditions of the relevant single market directive **[**F3653 or, as the case may be, the emission allowance auctioning regulation**]**.

Textual Amendments

F3652 Words in Sch. 3 para. 7 substituted (14.1.2005) by The Insurance Mediation Directive (Miscellaneous Amendments) Regulations 2003 (S.I. 2003/1473), **reg. 2(2)(f)**

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F3653 Words in Sch. 3 para. 7(b) inserted (20.7.2012) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2012 (S.I. 2012/1906), arts. 1, **4(4)**

Commencement Information

I88 Sch. 3 Pt. I para. 7 wholly in force at 1.12.2001; Sch. 3 Pt. I para. 7 not in force at Royal Assent see s. 431(2); Sch. 3 Pt. I para. 7 in force for certain purposes at 25.2.2001 by S.I. 2001/516, art. 2(b)(c), Sch. Pts. 2, **3**; Sch. 3 Pt. I para. 7 in force for specified purposes at 18.6.2001 by S.I. 2001/1820, art. 2, **Sch.**; Sch. 3 Pt. I para. 7 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**

[F3654 7A In paragraph 7, "relevant office" means—

(a) in relation to a person who has a registered office and whose entitlement is subject to the conditions of the **[**F3655 insurance distribution directive**]****[**F3656 or the mortgages directive**]**, his registered office;

[F3657 (aa) in relation to a person whose entitlement is subject to the conditions of the alternative investment fund managers directive, its registered office;**]**

(b) in relation to any other person, his head office.**]**

Textual Amendments

F3654 Sch. 3 para. 7A inserted (14.1.2005) by The Insurance Mediation Directive (Miscellaneous Amendments) Regulations 2003 (S.I. 2003/1473), **reg. 2(2)(g)**

F3655 Words in Sch. 3 para. 7A(a) substituted (1.10.2018) by The Insurance Distribution (Regulated Activities and Miscellaneous Amendments) Order 2018 (S.I. 2018/546), arts. 1(2), **17(6)**

F3656 Words in Sch. 3 para. 7A(a) inserted (20.4.2015 for specified purposes, 21.12.2015 for specified purposes, 21.3 2016 in so far as not already in force) by The Mortgage Credit Directive Order 2015 (S.I. 2015/910), art. 1(5), **Sch. 1 para. 1(10)(e)** (with Pt. 4)

F3657 Sch. 3 para. 7A(aa) inserted (22.7.2013) by The Alternative Investment Fund Managers Regulations 2013 (S.I. 2013/1773), reg. 1, **Sch. 1 para. 34(6)**

EEA State

[F3658 8 "EEA State " has the meaning given by Schedule 1 to the Interpretation Act 1978.**]**

Textual Amendments

F3658 Sch. 3 para. 8 substituted (13.2.2007) by The Financial Services (EEA State) Regulations 2007 (S.I. 2007/108), **reg. 2**

Commencement Information

I89 Sch. 3 Pt. I para. 8 wholly in force at 1.12.2001; Sch. 3 Pt. I para. 8 not in force at Royal Assent see s. 431(2); Sch. 3 Pt. I para. 8 in force for certain purposes at 25.2.2001 by S.I. 2001/516, art. 2(b)(c), Sch. Pts. 2, **3**; Sch. 3 Pt. I para. 8 in force for specified purposes at 18.6.2001 by S.I. 2001/1820, art. 2, **Sch.**; Sch. 3 Pt. I para. 8 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**

Home state regulator

9 "Home state regulator" means the competent authority (within the meaning of the relevant single market directive **[**F3659 or, as the case may be, the emission allowance auctioning regulation**]**) of an EEA State (other than the United Kingdom) in relation to the EEA firm concerned.

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Textual Amendments

F3659 Words in Sch. 3 para. 9 inserted (20.7.2012) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2012 (S.I. 2012/1906), arts. 1, **4(4)**

Commencement Information

I90 Sch. 3 Pt. I para. 9 wholly in force at 1.12.2001; Sch. 3 Pt. I para. 9 not in force at Royal Assent see s. 431(2); Sch. 3 Pt. I para. 9 in force for certain purposes at 25.2.2001 by S.I. 2001/516, art. 2(b)(c), Sch. Pts. 2, **3**; Sch. 3 Pt. I para. 9 in force for specified purposes at 18.6.2001 by S.I. 2001/1820, art. 2, **Sch.**; Sch. 3 Pt. I para. 9 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**

UK firm

10 "UK firm" means a person whose **[**F3660relevant office**]** is in the UK and who has an EEA right to carry on activity in an EEA State other than the United Kingdom.

Textual Amendments

F3660 Words in Sch. 3 para. 10 substituted (14.1.2005) by The Insurance Mediation Directive (Miscellaneous Amendments) Regulations 2003 (S.I. 2003/1473), **reg. 2(2)(h)**

Commencement Information

I91 Sch. 3 Pt. I para. 10 wholly in force at 1.12.2001; Sch. 3 Pt. I para. 10 not in force at Royal Assent see s. 431(2); Sch. 3 Pt. I para. 10 in force for certain purposes at 25.2.2001 by S.I. 2001/516, art. 2(b)(c), Sch. Pts. 2, **3** Sch. 3 Pt. I para. 10 in force for specified purposes at 18.6.2001 by S.I. 2001/1820, **art. 2 Sch.**; Sch. 3 para. 10 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**

[F3661 10A In paragraph 10, "relevant office" means—

(a) in relation to a firm whose EEA right derives from the **[**F3662insurance distribution directive**]** and which has a registered office, its registered office;

[F3663 (aa) in relation to a firm whose EEA right derives from the alternative investment fund managers directive, its registered office;**]**

(b) in relation to any other firm, its head office.**]**

Textual Amendments

F3661 Sch. 3 para. 10A inserted (14.1.2005) by The Insurance Mediation Directive (Miscellaneous Amendments) Regulations 2003 (S.I. 2003/1473), **reg. 2(2)(i)**

F3662 Words in Sch. 3 para. 10A(a) substituted (1.10.2018) by The Insurance Distribution (Regulated Activities and Miscellaneous Amendments) Order 2018 (S.I. 2018/546), arts. 1(2), **17(7)**

F3663 Sch. 3 para. 10A(aa) inserted (22.7.2013) by The Alternative Investment Fund Managers Regulations 2013 (S.I. 2013/1773), reg. 1, **Sch. 1 para. 34(7)**

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[F3664 UK investment firm

Textual Amendments

F3664 Sch. 3 para. 10B inserted (1.4.2007 for certain purposes, otherwise 1.11.2007) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2007 (S.I. 2007/126), regs. 1(2), 3(4), **Sch. 4 para. 5**

10B "UK investment firm" means a UK firm—

(a) which is an investment firm, and

(b) whose EEA right derives from the markets in financial instruments directive.**]**

Host state regulator

11 "Host state regulator" means the competent authority (within the meaning of the relevant single market directive **[**F3665 or, as the case may be, the emission allowance auctioning regulation**]**) of an EEA State (other than the United Kingdom) in relation to a UK firm's exercise of EEA rights there.

Textual Amendments

F3665 Words in Sch. 3 para. 11 inserted (20.7.2012) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2012 (S.I. 2012/1906), arts. 1, **4(4)**

Commencement Information

I92 Sch. 3 Pt. I para. 11 wholly in force at 1.12.2001; Sch. 3 Pt. I para. 11 not in force at Royal Assent see s. 431(2); Sch. 3 Pt. I para. 11 in force for certain purposes (25.2.2001) by S.I. 2001/516, **art. 2 Sch. Pts. 2**, 3; Sch. 3 Pt. I para. 11 in force for specified purposes (18.6.2001) by S.I. 2001/1820, **art. 2 Sch.**; Sch. 3 Pt. I para. 11 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**

[F3666 Tied agent

Textual Amendments

F3666 Sch. 3 para. 11A inserted (1.4.2007 for certain purposes, otherwise 1.11.2007) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2007 (S.I. 2007/126), regs. 1(2), 3(4), **Sch. 4 para. 6**

11A "Tied agent" has the meaning given in Article **[**F3667 4.1.29**]** of the markets in financial instruments directive.**]**

Textual Amendments

F3667 Word in Sch. 3 para. 11A substituted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (S.I. 2017/701), reg. 1(2)(3)(4)(6), **Sch. 2 para. 54(3)** (with reg. 7)

Status: *This version of this Act contains provisions that are prospective.*
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[F3668 Management company

Textual Amendments

F3668 Sch. 3 paras. 11B, 11C inserted (1.7.2011) by The Undertakings for Collective Investment in Transferable Securities Regulations 2011 (S.I. 2011/1613), **reg. 2(33)(c)**

11B "Management company" has the meaning given in Article 2.1(b) of the UCITS directive.

UCITS]

F3669 11C . . . . . .

Textual Amendments

F3669 Sch. 3 para. 11C omitted (28.6.2018 for specified purposes, 21.7.2018 in so far as not already in force) by virtue of The Money Market Funds Regulations 2018 (S.I. 2018/698), regs. 1(2), **2(19)**

[F3670 EEAAIFM]

Textual Amendments

F3670 Sch. 3 para. 11D and cross-heading inserted (22.7.2013) by The Alternative Investment Fund Managers Regulations 2013 (S.I. 2013/1773), reg. 1, **Sch. 1 para. 34(8)**

F3671 11D. . . . . .

Textual Amendments

F3671 Sch. 3 para. 11D omitted (31.12.2020) by virtue of The Financial Services (Miscellaneous) (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/710), regs. 1(3), **3(3)** (with regs. 36, 37, Sch.); 2020 c. 1, Sch. 5 para. 1(1)

F3672 PART II

EXERCISE OF PASSPORT RIGHTS BY EEA FIRMS

Textual Amendments

F3672 Sch. 3 Pt. 2 omitted (31.12.2020) by virtue of The EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018 (S.I. 2018/1149), regs. 1(3), **2(5)(a)** (with reg. 4); 2020 c. 1, **Sch. 5 para. 1(1)**

Firms qualifying for authorisation

12 . . . . . .

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Establishment

13 . . . . . .

Services

14 . . . . . .

Grant of permission

15 . . . . . .

Grant of permission: bidding for emission allowances

15ZA. . . . . .

Power to restrict permission of management companies

Application for approval to manage UCITS

15A . . . . . .

Representations and references to the Tribunal

15B . . . . . .

Information to home state regulator

15C . . . . . .

Effect of carrying on regulated activity when not qualified for authorisation

16 . . . . . .

Continuing regulation of European Economic AreaEEA firms

17 . . . . . .

Giving up right to authorisation

18 . . . . . .

[F3673]PART III

EXERCISE OF PASSPORT RIGHTS BY UK FIRMS

Textual Amendments

F3673 Sch. 3 Pt. 3 omitted (31.12.2020) by virtue of The EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018 (S.I. 2018/1149), regs. 1(3), **2(5)(b)** (with reg. 4); 2020 c. 1, **Sch. 5 para. 1(1)**

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Meaning of "the appropriate UK regulator"

18A . . . . . .

Establishment

19 . . . . . .

Services

20 . . . . . .

Information for host state regulator

20ZA . . . . . .

Tied agents

20A . . . . . .

Notice of intention to market a UCITS

20B . . . . . .

Notice of intention to market an Alternative Investment FundAIF

20C. . . . . .

Offence relating to exercise of passport rights

21 . . . . . .

Continuing regulation of United KingdomUK firms

22 . . . . . .

23 . . . . . .

24 . . . . . .

Arrangements between FCA and PRA

24A . . . . . .

Information to be included in the public record

25 . . . . . .

UK management companies: delegation of functions

26 . . . . . .

Status: *This version of this Act contains provisions that are prospective.*
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UK management companies: withdrawal of authorisation

27 . . . . . .

Management companies: request for information

28 . . . . . .

Full-scope United KingdomUKAlternative Investment Fund ManagersAIFMs: notification of breach by host state regulator

29. . . . . .

[F3674]SCHEDULE 4

Section 31(1)(c).

. . . . . .

Textual Amendments

F3674 Sch. 4 omitted (31.12.2020) by virtue of The EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018 (S.I. 2018/1149), regs. 1(3), **2(6)** (with reg. 4); 2020 c. 1, Sch. 5 para. 1(1)

SCHEDULE 5

Section 36.

PERSONS CONCERNED IN COLLECTIVE INVESTMENT SCHEMES

Authorisation

1 [F3675](1) . . . . . .

[F3675](2) . . . . . .

(3) An authorised open-ended investment company is an authorised person.

[[F3676](4) A body—

(a) incorporated by virtue of regulations made under section 1 of the Open-Ended Investment Companies Act (Northern Ireland) 2002 in respect of which an authorisation order is in force, and

[[F3677](b) which is a UCITS as defined in section 236A,**]**

is an authorised person.

(5) "Authorisation order" means an order made under (or having effect as made under) any provision of those regulations which is made by virtue of section 1(2)(1) of that Act (provision corresponding to Chapter 3 of Part 17 of the Act).**]**

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Textual Amendments

F3675 Sch. 5 para. 1(1)(2) omitted (31.12.2020) by virtue of The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), **32(2)(a)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F3676 Sch. 5 para. 1(4)(5) inserted (13.2.2004) by The Collective Investment Schemes (Miscellaneous Amendments) Regulations 2003 (S.I. 2003/2066), **reg 10(a)**

F3677 Sch. 5 para. 1(4)(b) substituted (31.12.2020) by The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), **32(2)(b)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

Permission

2 **F3678**(1) . . . . . .

(2) A person authorised as a result of paragraph 1(3) **[**F3679or (4)**]** has permission to carry on, so far as it is a regulated activity **[**F3680other than the activity of managing an AIF**]**—

(a) the operation of the scheme;

(b) any activity in connection with, or for the purposes of, the operation of the scheme.

Textual Amendments

F3678 Sch. 5 para. 2(1) omitted (31.12.2020) by virtue of The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/325), regs. 1(2), **32(3)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F3679 Words in Sch. 5 para. 2(2) inserted (13.2.2004) by The Collective Investment Schemes (Miscellaneous Amendments) Regulations 2003 (S.I. 2003/2066), **reg 10(b)**

F3680 Words in Sch. 5 para. 2(2) inserted (22.7.2013) by The Alternative Investment Fund Managers Regulations 2013 (S.I. 2013/1773), reg. 1, **Sch. 1 para. 35**

SCHEDULE 6

[F3681Section 55B**]**

THRESHOLD CONDITIONS

Textual Amendments

F3681 Words in Sch. 6 substituted (1.4.2013) by The Financial Services and Markets Act 2000 (Threshold Conditions) Order 2013 (S.I. 2013/555), arts. 1, **2(1)**

Modifications etc. (not altering text)

C1684 Sch. 6 modified (3.9.2001) by S.I. 2001/2507, **arts. 1(1)**, 3(1); S.I. 2001/2632, art. 2(2), **Sch. Pt. 2**

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[F3682PART 1

INTRODUCTION

Textual Amendments

F3682 Sch. 6 Pts. 1-1G substituted for Sch. 6 Pts. 1, 2 (1.4.2013) by The Financial Services and Markets Act 2000 (Threshold Conditions) Order 2013 (S.I. 2013/555), arts. 1, **2(2)**

1A. (1) In this Schedule—

"assets" includes contingent assets;

"consolidated supervision" has the same meaning as in section 3M;

"consumers" has the meaning given in section 425A;

"financial crime" is to be read with section 1H(3);

"functions", in relation to the FCA or the PRA, means functions conferred on that regulator by or under this Act;

[F3683"implementing provisions" has the same meaning as in section 3M;**]**

"liabilities" includes contingent liabilities;

"relevant directives" has the same meaning as in section 3M;

[F3684"relevant implementing provisions" means—

((a)) any implementing provision contained in subordinate legislation (within the meaning of the Interpretation Act 1978) made otherwise than by any of the following–

((i)) statutory instrument, and

((ii)) statutory rule for the purposes of the Statutory Rules (Northern Ireland) Order 1979 (S.I. 1979/1573 (N.I. 12)); or

((b)) any other implementing provision (as amended from time to time));**]**

"Society" means the society incorporated by Lloyd's Act 1871 by the name of Lloyd's;

"subsidiary undertaking" includes all the instances mentioned in Article 1(1) and (2) of the Seventh Company Law Directive in which an entity may be a subsidiary of an undertaking.

(2) For the purposes of this Schedule, the "non-financial resources" of a person include any systems, controls, plans or policies that the person maintains, any information that the person holds and the human resources that the person has available.

(3) In this Schedule, References to "integrity" of the UK financial system are to be read in accordance section 1D(2).

(4) References to the failure of a person are to be read in accordance with section 2J(3) and (4).

Textual Amendments

F3683 Words in Sch. 6 para. 1A(1) inserted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **97(2)**; 2020 c. 1, Sch. 5 para. 1(1)

F3684 Words in Sch. 6 para. 1A(1) inserted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **97(3)**; 2020 c. 1, Sch. 5 para. 1(1)

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PART 1B

PART 4A PERMISSION: AUTHORISED PERSONS WHO ARE NOT PRA-AUTHORISED PERSONS

Introduction

2A. If the person concerned ("A") carries on, or is seeking to carry on, regulated activities which do not consist of or include a PRA-regulated activity, the threshold conditions that are relevant to the discharge by the FCA of its functions in relation to A are the conditions set out in paragraphs 2B to 2F.

Location of offices

2B. (1) Unless sub-paragraph (3) **[**F3685, (4)(a) or (7)**]** applies, if A is a body corporate incorporated in the United Kingdom—

(a) A's head office, and

(b) if A has a registered office, that office,

must be in the United Kingdom.

(2) If A is not a body corporate but A's head office is in the United Kingdom, A must carry on business in the United Kingdom.

(3) If—

(a) A is seeking to carry on, or is carrying on, a regulated activity which is any of the investment services and activities,

(b) A is a body corporate with no registered office, and

(c) A's head office is in the United Kingdom,

A must carry on business in the United Kingdom.

(4) If A is seeking to carry on, or is carrying on, an insurance **[**F3686distribution**]** activity—

(a) where A is a body corporate incorporated in the United Kingdom, A's registered office, or if A has no registered office, A's head office, must be in the United Kingdom;

(b) where A is an individual, A is to be treated for the purposes of sub-paragraph (2) as having a head office in the United Kingdom if A is resident in the United Kingdom.

(5) "Insurance **[**F3687distribution**]** activity" means any of the following activities—

(a) dealing in rights under a contract of insurance as agent;

(b) arranging deals in rights under a contract of insurance;

(c) assisting in the administration and performance of a contract of insurance;

(d) advising on buying or selling rights under a contract of insurance;

(e) agreeing to do any of the activities specified in paragraphs (a) to (d).

(6) Sub-paragraph (5) must be read with—

(a) section 22,

(b) any relevant order under that section, and

(c) Schedule 2.

[F3688(7) If A is seeking to carry on, or is carrying on, the regulated activity of managing an AIF and is, or upon being granted Part 4A permission to carry on that regulated

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activity would be, a full-scope UKAIFM, A's head office and registered office must be in the United Kingdom.**]**

Textual Amendments

F3685 Words in Sch. 6 para. 2B(1) substituted (22.7.2013) by The Alternative Investment Fund Managers Regulations 2013 (S.I. 2013/1773), reg. 1, **Sch. 1 para. 36(a)**

F3686 Word in Sch. 6 para. 2B(4) substituted (1.10.2018) by The Insurance Distribution (Regulated Activities and Miscellaneous Amendments) Order 2018 (S.I. 2018/546), arts. 1(2), **18(4)**

F3687 Word in Sch. 6 para. 2B(5) substituted (1.10.2018) by The Insurance Distribution (Regulated Activities and Miscellaneous Amendments) Order 2018 (S.I. 2018/546), arts. 1(2), **18(4)**

F3688 Sch. 6 para. 2B(7) inserted (22.7.2013) by The Alternative Investment Fund Managers Regulations 2013 (S.I. 2013/1773), reg. 1, **Sch. 1 para. 36(b)**

Effective supervision

2C. (1) A must be capable of being effectively supervised by the FCA having regard to all the circumstances including—

(a) the nature (including the complexity) of the regulated activities that A carries on or seeks to carry on;

(b) the complexity of any products that A provides or will provide in carrying on those activities;

(c) the way in which A's business is organised;

(d) if A is a member of a group, whether membership of the group is likely to prevent the FCA's effective supervision of A;

(e) whether A is subject to consolidated supervision required under any **[**F3689relevant implementing provisions**]**;

(f) if A has close links with another person ("CL")—

(i) the nature of the relationship between A and CL,

(ii) whether those links are or that relationship is likely to prevent the FCA's effective supervision of A, and

(iii) if CL is subject to the laws, regulations or administrative provisions of a **[**F3690country or territory outside the United Kingdom**]** ("the foreign provisions"), whether those foreign provisions, or any deficiency in their enforcement, would prevent the FCA's effective supervision of A.

[F3691(1A) Paragraphs (a), (b) and (e) of sub-paragraph (1) do not apply where the only regulated activities that the person carries on, or seeks to carry on, are—

(a) relevant credit activities, and

(b) if any, activities to which, by virtue of section 39(1D), sections 20(1) and (1A) and 23(1A) do not apply when carried on by the person.**]**

(2) A has close links with CL if—

(a) CL is a parent undertaking of A,

(b) CL is a subsidiary undertaking of A,

(c) CL is a parent undertaking of a subsidiary undertaking of A,

(d) CL is a subsidiary undertaking of a parent undertaking of A,

(e) CL owns or controls 20% or more of the voting rights or capital of A, or

(f) A owns or controls 20% or more of the voting rights or capital of CL.

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Textual Amendments

F3689 Words in Sch. 6 para. 2C(1)(e) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **98(a)**; 2020 c. 1, Sch. 5 para. 1(1)

F3690 Words in Sch. 6 para. 2C(1)(f)(iii) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **98(b)**; 2020 c. 1, Sch. 5 para. 1(1)

F3691 Sch. 6 para. 2C(1A) substituted (14.2.2014 for specified purposes) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2014 (S.I. 2014/366), arts. 1(3)(4), **5(2)**

Appropriate resources

2D. (1) The resources of A must be appropriate in relation to the regulated activities that A carries on or seeks to carry on.

(2) The matters which are relevant in determining whether A has appropriate resources include—

(a) the nature and scale of the business carried on, or to be carried on, by A;

(b) the risks to the continuity of the services provided by, or to be provided by, A;

(c) A's membership of a group and any effect which that membership may have.

(3) **[**F3692Except in a case within sub-paragraph (3A), the matters**]** which are relevant in determining whether A has appropriate financial resources include—

(a) the provision A makes and, if A is a member of a group, which other members of the group make, in respect of liabilities;

(b) the means by which A manages and, if A is a member of a group, by which other members of the group manage, the incidence of risk in connection with A's business.

[F3693(3A) Where the only regulated activities that A carries on or seeks to carry on are—

(a) relevant credit activities, and

(b) if any, activities to which, by virtue of section 39(1D), sections 20(1) and (1A) and 23(1A) do not apply when carried on by A,

A has adequate financial resources if A is capable of meeting A's debts as they fall due.**]**

(4) The matters which are relevant in determining whether A has appropriate non-financial resources include—

(a) the skills and experience of those who manage A's affairs;

(b) whether A's non-financial resources are sufficient to enable A to comply with—

(i) requirements imposed or likely to be imposed on A by the FCA in the exercise of its functions, or

(ii) any other requirement in relation to whose contravention the FCA would be the appropriate regulator for the purpose of any provision of Part 14 of this Act.

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Textual Amendments

F3692 Words in Sch. 6 para. 2D(3) substituted (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No.2) Order 2013 (S.I. 2013/1881), arts. 1(2)(6), **10(19)(b)(i)**

F3693 Sch. 6 para. 2D(3A) substituted (14.2.2014 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2014 (S.I. 2014/366), arts. 1(3)(4), **5(3)**

Suitability

2E. A must be a fit and proper person having regard to all the circumstances, including—

(a) A's connection with any person;

(b) the nature (including the complexity) of the regulated activities that A carries on or seeks to carry on;

(c) the need to ensure that A's affairs are conducted in an appropriate manner, having regard in particular to the interests of consumers and the integrity of the UK financial system;

(d) whether A has complied and is complying with requirements imposed by the FCA in the exercise of its functions, or requests made by the FCA, relating to the provision of information to the FCA and, where A has so complied or is so complying, the manner of that compliance;

(e) whether those who manage A's affairs have adequate skills and experience and have acted and may be expected to act with probity;

(f) whether A's business is being, or is to be, managed in such a way as to ensure that its affairs will be conducted in a sound and prudent manner;

(g) the need to minimise the extent to which it is possible for the business carried on by A, or to be carried on by A, to be used for a purpose connected with financial crime.

Business model

2F. (1) A's business model (that is, A's strategy for doing business) must be suitable for a person carrying on the regulated activities that A carries on or seeks to carry on.

(2) The matters which are relevant in determining whether A satisfies the condition in sub-paragraph (1) include—

(a) whether the business model is compatible with A's affairs being conducted, and continuing to be conducted, in a sound and prudent manner;

(b) the interests of consumers;

(c) the integrity of the UK financial system.

(3) **[**[F3694]This paragraph does not apply where the only regulated activities that the person carries on, or seeks to carry on, are—

(a) relevant credit activities, and

(b) if any, activities to which, by virtue of section 39(1D), sections 20(1) and (1A) and 23(1A) do not apply when carried on by the person.**]**

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Textual Amendments

F3694 Sch. 6 para. 2F(3) substituted (14.2.2014 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2014 (S.I. 2014/366), arts. 1(3)(4), **5(4)**

Interpretation

[F3695 2G.] In this Part of this Schedule, each of the following is a "relevant credit activity"—

(a) an activity of the kind specified by article 36A of the Regulated Activities Order (credit broking) when carried on in the case specified in sub-paragraph (3), (4) or (5),

(b) an activity of the kind specified by article 39D of that Order (debt adjusting) when carried on—

(i) in the case specified in sub-paragraph (3), by a person who also carries on an activity of the kind specified by paragraph (a),

[F3696 (ii) by a person in connection with an activity of the kind specified by paragraph (d) or (e) which the person also carries on,]

(iii) by a not-for-profit body,

(c) an activity of the kind specified by article 39E of that Order (debt-counselling) when carried on—

(i) in the case specified in sub-paragraph (3), by a person who also carries on an activity of the kind specified by paragraph (a),

[F3697 (ii) by a person in connection with an activity of the kind specified by paragraph (d) or (e) which the person also carries on,]

(iii) by a not-for-profit body,

(d) an activity of the kind specified by article 60B of that Order (regulated credit agreements) if—

(i) it is carried on by a supplier,

(ii) no charge (by way of interest or otherwise) is payable by the borrower in connection with the provision of credit under the regulated credit agreement, and

(iii) the regulated credit agreement is not a hire-purchase agreement or a conditional sale agreement,

[F3698 (da) an activity of the kind specified by article 60B of that Order (regulated credit agreements) if carried on by a local authority,]

(e) an activity of the kind specified by article 60N of that Order (regulated consumer hire agreements),

(f) an activity of the kind specified by article 89A of that Order (providing credit information services) where carried on by a person [F3699 in connection with an activity of the kind specified by any of paragraphs (a) to (e) which the person also carries on], or

(g) an activity of the kind specified by article 64 of that Order (agreeing to carry on specified kinds of activity) so far as relevant to any of the activities specified in paragraphs (a) to (f).

(2) [F3700 Except where the activity is carried on by a not-for-profit body,] an activity is not a relevant credit activity for the purposes of—

(a) paragraph (a) to (e) of sub-paragraph (1), and

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(b) paragraph (g) of that sub-paragraph so far at it relates to activities of the kind specified by any of those paragraphs,

if it relates to an agreement under which the obligation of the borrower to repay **[**F3701or the hirer to pay**]** is secured, or is to be secured, by a legal mortgage on land.

(3) The case specified in this sub-paragraph is where a supplier (other than a domestic premises supplier) carries on the activity for the purposes of, or in connection with, the sale of goods or supply of services by the supplier to a customer (who need not be the borrower under the credit agreement or the hirer under the consumer hire agreement).

[F3702(3A) For the purposes of sub-paragraph (3), "domestic premises supplier" means a supplier who—

(a) sells, offers to sell or agrees to sell goods, or

(b) offers to supply services or contracts to supply services,

to customers who are individuals while the supplier, or the supplier's representative, is physically present at the dwelling of the individual (but see sub-paragraph (3B)).

(3B) A supplier who acts as described in sub-paragraph (3A) on an occasional basis only will not be a domestic premises supplier unless the supplier indicates to the public at large, or any section of the public, the supplier's willingness to attend (in person or through a representative) the dwelling of potential customers in order to carry on any of the activities mentioned in sub-paragraph (3A)(a) or (b).**]**

(4) The case specified in this sub-paragraph is where the activity relates to a green deal plan.

[F3703(5) The case specified in this sub-paragraph is where the activity relates to a consumer hire agreement or a hire-purchase agreement.**]**

(6) For the purposes of this paragraph—

"borrower" includes—

(a) any person providing a guarantee or indemnity under an agreement, and

(b) a person to whom the rights and duties of the borrower under an agreement or a person falling within paragraph (a) have passed by assignment or operation of law;

"conditional sale agreement" has the meaning given by article 60L of the Regulated Activities Order;

[F3704"consumer hire agreement" has the meaning given by article 60N(3) of the Regulated Activities Order;**]**

"customer" means a person to whom a supplier sells goods or supplies services or agrees to do so;

F3705...

"green deal plan" has the meaning given by section 1 of the Energy Act 2011;

"hire-purchase agreement" has the meaning given by the Regulated Activities Order;

[F3706"local authority" means—

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(a) in England and Wales, a local authority within the meaning of the Local Government Act 1972, the Greater London Authority, the Common Council of the City of London or the Council of the Isles of Scilly;

(b) in Scotland, a local authority within the meaning of the Local Government (Scotland) Act 1973; and

(c) in Northern Ireland, a district council within the meaning of the Local Government Act (Northern Ireland) 1972;**]**

"not-for-profit body" means a body which, by virtue of its constitution or any enactment—

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

(b) is prohibited from directly or indirectly distributing amongst its members any part of its assets (otherwise than for charitable or public purposes);

"Regulated Activities Order" means the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001;

"regulated credit agreement" has the meaning given by the Regulated Activities Order;

"supplier" means a person whose main business is to sell goods or supply services and not to carry on a regulated activity, other than an activity of the kind specified by article 60N of the Regulated Activities Order (regulated consumer hire agreements).**]**

Textual Amendments

F3695 Sch. 6 para. 2G inserted (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No.2) Order 2013 (S.I. 2013/1881), arts. 1(2)(6), **10(19)(d)**

F3696 Sch. 6 para. 2G(1)(b)(ii) substituted (14.2.2014 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2014 (S.I. 2014/366), arts. 1(3)(4), **5(5)(a)(i)**

F3697 Sch. 6 para. 2G(1)(c)(ii) substituted (14.2.2014 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2014 (S.I. 2014/366), arts. 1(3)(4), **5(5)(a)(ii)**

F3698 Sch. 6 para. 2G(1)(da) inserted (14.2.2014 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2014 (S.I. 2014/366), arts. 1(3)(4), **5(5)(a)(iii)**

F3699 Words in Sch. 6 para. 2G(1)(f) substituted (14.2.2014 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2014 (S.I. 2014/366), arts. 1(3)(4), **5(5)(a)(iv)**

F3700 Words in Sch. 6 para. 2G(2) substituted (14.2.2014 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2014 (S.I. 2014/366), arts. 1(3)(4), **5(5)(b)(i)**

F3701 Words in Sch. 6 para. 2G(2) inserted (14.2.2014 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2014 (S.I. 2014/366), arts. 1(3)(4), **5(5)(b)(ii)**

F3702 Sch. 6 para. 2G(3A)(3B) inserted (24.3.2015) by The Financial Services and Markets Act 2000 (Miscellaneous Provisions) Order 2015 (S.I. 2015/853), arts. 1(2), **2(2)**

F3703 Sch. 6 para. 2G(5) substituted (24.3.2015) by The Financial Services and Markets Act 2000 (Miscellaneous Provisions) Order 2015 (S.I. 2015/853), arts. 1(2), **2(3)**

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F3704 Words in Sch. 6 para. 2G(6) inserted (24.3.2015) by The Financial Services and Markets Act 2000 (Miscellaneous Provisions) Order 2015 (S.I. 2015/853), arts. 1(2), **2(4)(a)**

F3705 Words in Sch. 6 para. 2G(6) omitted (24.3.2015) by virtue of The Financial Services and Markets Act 2000 (Miscellaneous Provisions) Order 2015 (S.I. 2015/853), arts. 1(2), **2(4)(b)**

F3706 Words in Sch. 6 para. 2G(6) inserted (14.2.2014 for specified purposes, 1.4.2014 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2014 (S.I. 2014/366), arts. 1(3)(4), **5(5)(c)**

PART 1C

PART 4A PERMISSION: CONDITIONS FOR WHICH FCA IS RESPONSIBLE IN RELATION TO PRA-AUTHORISED PERSONS

Introduction

3A. If the person concerned ("B") carries on, or is seeking to carry on, regulated activities which consist of or include a PRA-regulated activity, the threshold conditions which are relevant to the discharge by the FCA of its functions in relation to B are the conditions set out in paragraphs 3B to 3E.

Effective supervision

3B. (1) B must be capable of being effectively supervised by the FCA having regard to all the circumstances including—

(a) the nature (including the complexity) of the regulated activities that B carries on or seeks to carry on;

(b) the complexity of any products that B provides or will provide in carrying on those activities;

(c) the way in which B's business is organised;

(d) if B is a member of a group, whether membership of the group is likely to prevent the FCA's effective supervision of B;

(e) whether B is subject to consolidated supervision required under any **[**[F3707]relevant implementing provisions**]**;

(f) if B has close links with another person ("CL")—

(i) the nature of the relationship between B and CL,

(ii) whether those links are or that relationship is likely to prevent the FCA's effective supervision of B, and

(iii) if CL is subject to the laws, regulations or administrative provisions of a **[**[F3708]country or territory outside the United Kingdom**]** ("the foreign provisions"), whether those foreign provisions, or any deficiency in their enforcement, would prevent the FCA's effective supervision of B.

(2) B has close links with CL if—

(a) CL is a parent undertaking of B,

(b) CL is a subsidiary undertaking of B,

(c) CL is a parent undertaking of a subsidiary undertaking of B,

(d) CL is a subsidiary undertaking of a parent undertaking of B,

(e) CL owns or controls 20% or more of the voting rights or capital of B, or

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(f) B owns or controls 20% or more of the voting rights or capital of CL.

Textual Amendments

F3707 Words in Sch. 6 para. 3B(1)(e) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **99(a)**; 2020 c. 1, Sch. 5 para. 1(1)

F3708 Words in Sch. 6 para. 3B(1)(f)(iii) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **99(b)**; 2020 c. 1, Sch. 5 para. 1(1)

Appropriate non-financial resources

3C. (1) The non-financial resources of B must be appropriate in relation to the regulated activities that B carries on or seeks to carry on, having regard to the operational objectives of the FCA.

(2) The matters which are relevant in determining whether the condition in sub-paragraph (1) is met include—

(a) the nature and scale of the business carried on, or to be carried on, by B;

(b) the risks to the continuity of the services provided by, or to be provided by, B;

(c) B's membership of a group and any effect which that membership may have;

(d) the skills and experience of those who manage B's affairs;

(e) whether B's non-financial resources are sufficient to enable B to comply with—

(i) requirements imposed or likely to be imposed on B by the FCA in the exercise of its functions, or

(ii) any other requirement in relation to whose contravention the FCA would be the appropriate regulator for the purpose of any provision of Part 14 of this Act.

Suitability

3D. (1) B must be a fit and proper person, having regard to the operational objectives of the FCA.

(2) The matters which are relevant in determining whether B satisfies the condition in sub-paragraph (1) include—

(a) B's connection with any person;

(b) the nature (including the complexity) of the regulated activities that B carries on or seeks to carry on;

(c) the need to ensure that B's affairs are conducted in an appropriate manner, having regard in particular to the interests of consumers and the integrity of the UK financial system;

(d) whether B has complied and is complying with requirements imposed by the FCA in the exercise its functions, or requests made by the FCA, relating to the provision of information to the FCA and, where B has so complied or is so complying, the manner of that compliance;

(e) whether those who manage B's affairs have adequate skills and experience and have acted and may be expected to act with probity;

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(f) the need to minimise the extent to which it is possible for the business carried on by B, or to be carried on by B, to be used for a purpose connected with financial crime.

Business model

3E. B's business model (that is, B's strategy for doing business) must be suitable for a person carrying on the regulated activities that B carries on or seeks to carry on, having regard to the FCA's operational objectives.

PART 1D

PART 4A PERMISSION: CONDITIONS FOR WHICH THE PRA IS RESPONSIBLE IN RELATION TO INSURERS ETC.

Introduction

4A. (1) If the person concerned ("C") carries on, or is seeking to carry on, regulated activities which consist of or include a PRA-regulated activity relating to the effecting or carrying out of contracts of insurance, the threshold conditions which are relevant to the discharge by the PRA of its functions in relation to C are the conditions set out in paragraphs 4B to 4F.

(2) If the person concerned ("C") carries on, or is seeking to carry on, regulated activities which consist of or include a PRA-regulated activity relating to managing the underwriting capacity of a Lloyd's syndicate as a managing agent at Lloyd's, the conditions which are relevant to the discharge by the PRA of its functions in relation to C are the conditions set out in paragraphs 4C to 4F except for sub-paragraphs (5)(d) and (5)(e) of paragraph 4D which are not relevant for that purpose.

(3) If the person concerned ("C") carries on, or is seeking to carry on, regulated activities which consist of or include a PRA-regulated activity relating to the arranging, by the Society, of deals in contracts of insurance written at Lloyd's, the conditions which are relevant to the discharge by the PRA of its functions in relation to C are the conditions set out in paragraphs 4C to 4F, subject to sub-paragraph (4).

(4) Paragraph 4D has effect in relation to persons of the kind specified by sub-paragraph (3) as if—

(a) for paragraph (d) and (e) of sub-paragraph (5) there were substituted—

"(d) the effect that the carrying on of business by C might be expected to have on the stability of the UK financial system or on those who are or may become policyholders of members of C;

(e) the effect that the failure of C might be expected to have on the stability of the UK financial system or on those who are or may become policyholders of members of C;", and

(b) sub-paragraph (6) were omitted.

[F3709(5) If the person concerned ("C") carries on, or is seeking to carry on, regulated activities which consist of or include a PRA-regulated activity relating to an assumption of risk falling within article 13A of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001, the threshold conditions which are relevant to the discharge

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by the PRA of its functions in relation to C are the conditions set out in paragraphs 4B to 4F, subject to sub-paragraph (6).

(6) Paragraphs 4B to 4F have effect in relation to persons of the kind specified by sub-paragraph (5) as if—

[[F3710](a) the persons are undertakings, whether incorporated or not, other than an existing insurance or reinsurance undertaking, which assume risks from insurance or reinsurance undertakings and which fully fund their exposure to such risks through the proceeds of a debt issuance or any other financing mechanism where the repayment rights of the providers of such debt or financing mechanism are subordinated to the reinsurance obligations of such an undertaking;**]**

[[F3711](b) the persons are not insurance undertakings;**]**

(c) references to contracts of insurance are references to contracts for the assumption of risk; and

(d) references to C's policyholders are references to undertakings from whom C assumes a risk.**]**

[[F3712](7) In paragraph (6)(a), references to undertakings which assume risks from insurance or reinsurance undertakings include references to undertakings which assume risks from **[**[F3713]overseas insurance undertakings or overseas reinsurance undertakings**]** and **[**[F3714]Gibraltar insurance undertakings or Gibraltar reinsurance undertakings**]**[F3715]....**]**

[[F3716](8) In this paragraph—

"Gibraltar insurance undertaking" means an undertaking which—

(a) has its head office in Gibraltar; and

(b) is authorised by the Gibraltar Financial Services Commission to effect or carry out contracts of insurance (other than contracts of reinsurance) under paragraph 24 of Schedule 2 to the Financial Services Act 2019 of Gibraltar;

"Gibraltar reinsurance undertaking" means an undertaking which—

(a) has its head office in Gibraltar; and

(b) is authorised by the Gibraltar Financial Services Commission to effect or carry out contracts of insurance that are limited to reinsurance contracts under paragraph 24 of Schedule 2 to the Financial Services Act 2019 of Gibraltar;

"overseas insurance undertaking" means a person who—

(a) is established in a country or territory other than—

(i) the United Kingdom, or

(ii) Gibraltar;

(b) is not an authorised person;

(c) is not an authorised person for the purposes of the Financial Services Act 2019 of Gibraltar; and

(d) effects or carries out contracts of insurance as principal;

"overseas reinsurance undertaking" means a person who—

(a) is established in a country or territory other than—

(i) the United Kingdom, or

(ii) Gibraltar;

(b) is not an authorised person;

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(c) is not an authorised person for the purposes of the Financial Services Act 2019 of Gibraltar; and

(d) effects or carries out contracts of insurance that are limited to reinsurance contracts as principal.**]**

Textual Amendments

F3709 Sch. 6 para. 4A(5)(6) inserted (8.12.2017) by The Risk Transformation Regulations 2017 (S.I. 2017/1212), regs. 1(2), **4(2)(a)**

F3710 Sch. 6 para. 4A(6)(a) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **100(a)**; 2020 c. 1, Sch. 5 para. 1(1)

F3711 Sch. 6 para. 4A(6)(b) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **100(b)**; 2020 c. 1, Sch. 5 para. 1(1)

F3712 Sch. 6 para. 4A(7) inserted by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **100(c)** (as inserted by S.I. 2019/1233, regs. 1(3), **5(d)**); 2020 c. 1, Sch. 5 para. 1(1))

F3713 Words in Sch. 6 para. 4A(7) substituted (31.12.2024) by The Insurance and Reinsurance Undertakings (Prudential Requirements) (Amendment and Miscellaneous Provisions) Regulations 2024 (S.I. 2024/1083), regs. 1(2)(b), **10(a)(i)**

F3714 Words in Sch. 6 para. 4A(7) substituted (31.12.2024) by The Insurance and Reinsurance Undertakings (Prudential Requirements) (Amendment and Miscellaneous Provisions) Regulations 2024 (S.I. 2024/1083), regs. 1(2)(b), **10(a)(ii)**

F3715 Words in Sch. 6 para. 4A(7) omitted (31.12.2024) by virtue of The Insurance and Reinsurance Undertakings (Prudential Requirements) (Amendment and Miscellaneous Provisions) Regulations 2024 (S.I. 2024/1083), regs. 1(2)(b), **10(a)(iii)**

F3716 Sch. 6 para. 4A(8) inserted (31.12.2024) by The Insurance and Reinsurance Undertakings (Prudential Requirements) (Amendment and Miscellaneous Provisions) Regulations 2024 (S.I. 2024/1083), regs. 1(2)(b), **10(b)**

Legal status

4B. C must be—

(a) a body corporate (other than a limited liability partnership),

(b) a registered friendly society, or

(c) a member of Lloyd's.

Location of offices

4C. (1) If C is a body corporate incorporated in the United Kingdom—

(a) C's head office, and

(b) if C has a registered office, that office,

must be in the United Kingdom.

(2) If C is not a body corporate but C's head office is in the United Kingdom, C must carry on business in the United Kingdom.

Business to be conducted in a prudent manner

4D. (1) The business of C must be conducted in a prudent manner.

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(2) To satisfy the condition in sub-paragraph (1), C must in particular have appropriate financial and non-financial resources.

(3) To have appropriate financial resources C must satisfy the following conditions—

(a) C's assets must be appropriate given C's liabilities, and

(b) the liquidity of C's resources must be appropriate given C's liabilities and when they fall due or may fall due.

(4) To have appropriate non-financial resources C must satisfy the following conditions—

(a) C must be willing and able to value C's assets and liabilities appropriately,

(b) C must have resources to identify, monitor, measure and take action to remove or reduce risks to the safety and soundness of C,

(c) C must have resources to identify, monitor, measure and take action to remove or reduce risks to the accuracy of C's valuation of C's assets and liabilities,

(d) the effectiveness with which C's business is managed must meet a reasonable standard of effectiveness, and

(e) C's non-financial resources must be sufficient to enable C to comply with—

(i) requirements imposed or likely to be imposed on C by the PRA in the exercise of its functions, and

(ii) any other requirement in relation to whose contravention the PRA would be the appropriate regulator for the purpose of any provision of Part 14 of this Act.

(5) The matters which are relevant in determining whether C satisfies the condition in sub-paragraph (1) or (2) include—

(a) the nature (including the complexity) of the regulated activities that C carries on or seeks to carry on;

(b) the nature and scale of the business carried on or to be carried on by C;

(c) the risks to the continuity of the services provided by, or to be provided by, C;

(d) the effect that the carrying on of the business of effecting or carrying out contracts of insurance by C might be expected to have on the stability of the UK financial system or on those who are or may become C's policyholders;

(e) the effect that C's failure or C being closed to new business might be expected to have on the stability of the UK financial system or on those who are or may become C's policyholders;

(f) C's membership of a group and any effect which that membership may have.

(6) C is "closed to new business" for the purposes of this paragraph if C has ceased to effect contracts of insurance or has substantially reduced the number of such contracts which C effects.

Suitability

4E. (1) C must be a fit and proper person, having regard to the PRA's objectives.

(2) The matters which are relevant in determining whether C satisfies the condition in sub-paragraph (1) include—

(a) whether C has complied and is complying with requirements imposed by the PRA in the exercise of its functions, or requests made by the PRA relating

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to the provision of information to the PRA and, if C has so complied or is so complying, the manner of that compliance;

(b) whether those who manage C's affairs have adequate skills and experience and have acted and may be expected to act with probity.

Effective supervision

4F. (1) C must be capable of being effectively supervised by the PRA.

(2) The matters which are relevant in determining whether C satisfies the condition in sub-paragraph (1) include—

(a) the nature (including the complexity) of the regulated activities that C carries on or seeks to carry on;

(b) the complexity of any products that C provides or will provide in carrying on those activities;

(c) the way in which C's business is organised;

(d) if C is a member of a group, whether membership of the group is likely to prevent the PRA's effective supervision of C;

(e) whether C is subject to consolidated supervision required under any **[**[F3717]relevant implementing provisions**]**;

(f) if C has close links with another person ("CL")—

(i) the nature of the relationship between C and CL,

(ii) whether those links are or that relationship is likely to prevent the PRA's effective supervision of C, and

(iii) if CL is subject to the laws, regulations or administrative provisions of a **[**[F3718]country or territory outside the United Kingdom**]** ("the foreign provisions"), whether those foreign provisions, or any deficiency in their enforcement, would prevent the PRA's effective supervision of C.

(3) C has close links with CL if—

(a) CL is a parent undertaking of C,

(b) CL is a subsidiary undertaking of C,

(c) CL is a parent undertaking of a subsidiary undertaking of C,

(d) CL is a subsidiary undertaking of a parent undertaking of C,

(e) CL owns or controls 20% or more of the voting rights or capital of C, or

(f) C owns or controls 20% or more of the voting rights or capital of CL.

Textual Amendments

F3717 Words in Sch. 6 para. 4F(2)(e) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **101(a)**; 2020 c. 1, Sch. 5 para. 1(1)

F3718 Words in Sch. 6 para. 4F(2)(f)(iii) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **101(b)**; 2020 c. 1, Sch. 5 para. 1(1)

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PART 1E

PART 4A PERMISSION: CONDITIONS FOR WHICH THE PRA IS RESPONSIBLE IN RELATION TO OTHER PRA-AUTHORISED PERSONS

Introduction

5A. If the person concerned ("D") carries on, or is seeking to carry on, PRA-regulated activities which do not consist of or include a regulated activity relating to—

(a) the effecting or carrying out of contracts of insurance,

(b) managing the underwriting capacity of a Lloyd's syndicate as a managing agent at Lloyds, [F3719]...

(c) arranging, by the Society, of deals in contracts of insurance written at Lloyd's, **[**[F3720]or**]**

[[F3721](d) an assumption of risk falling within article 13A of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001,**]**

the threshold conditions which are relevant to the discharge by the PRA of its functions in relation to D are the conditions set out in paragraphs 5B to 5F.

Textual Amendments

F3719 Word in Sch. 6 para. 5A(b) omitted (8.12.2017) by virtue of The Risk Transformation Regulations 2017 (S.I. 2017/1212), regs. 1(2), **4(2)(b)(i)**

F3720 Word in Sch. 6 para. 5A(c) inserted (8.12.2017) by The Risk Transformation Regulations 2017 (S.I. 2017/1212), regs. 1(2), **4(2)(b)(ii)**

F3721 Sch. 6 para. 5A(d) inserted (8.12.2017) by The Risk Transformation Regulations 2017 (S.I. 2017/1212), regs. 1(2), **4(2)(b)(iii)**

Legal status

5B. If D carries on or is seeking to carry on a regulated activity which consists of or includes accepting deposits or issuing electronic money, D must be—

(a) a body corporate, or

(b) a partnership.

Location of offices

5C. (1) If D is a body corporate incorporated in the United Kingdom—

(a) D's head office, and

(b) if D has a registered office, that office,

must be in the United Kingdom.

(2) If D is not a body corporate but D's head office is in the United Kingdom, D must carry on business in the United Kingdom.

Business to be conducted in a prudent manner

5D. (1) The business of D must be conducted in a prudent manner.

(2) To satisfy the condition in sub-paragraph (1), D must in particular have appropriate financial and non-financial resources.

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(3) To have appropriate financial resources D must satisfy the following conditions—

(a) D's assets must be appropriate given D's liabilities, and

(b) the liquidity of D's resources must be appropriate given D's liabilities and when they fall due or may fall due.

(4) To have appropriate non-financial resources D must satisfy the following conditions—

(a) D must be willing and able to value D's assets and liabilities appropriately,

(b) D must have resources to identify, monitor, measure and take action to remove or reduce risks to the safety and soundness of D,

(c) D must have resources to identify, monitor, measure and take action to remove or reduce risks to the accuracy of D's valuation of D's assets and liabilities,

(d) the effectiveness with which D's business is managed must meet a reasonable standard of effectiveness, and

(e) D's non-financial resources must be sufficient to enable D to comply with—

(i) requirements imposed or likely to be imposed on D by the PRA in the exercise of its functions, and

(ii) any other requirement in relation to whose contravention the PRA would be the appropriate regulator for the purpose of any provision of Part 14 of this Act.

(5) The matters which are relevant in determining whether D satisfies the condition in sub-paragraph (1) or (2) include—

(a) the nature (including the complexity) of the regulated activities that D carries on or seeks to carry on;

(b) the nature and scale of the business carried on or to be carried on by D;

(c) the risks to the continuity of the services provided or to be provided by D;

(d) the effect that the carrying on of the business carried on or to be carried on by D might be expected to have on the stability of the UK financial system;

(e) the effect that D's failure might be expected to have on the stability of the UK financial system;

(f) D's membership of a group and any effect which that membership may have.

Suitability

5E. (1) D must be a fit and proper person, having regard to the PRA's objectives.

(2) The matters which are relevant in determining whether D satisfies the condition in sub-paragraph (1) include—

(a) whether D has complied and is complying with requirements imposed by the PRA in the exercise of its functions, or requests made by the PRA relating to the provision of information to the PRA and, if D has so complied or is so complying, the manner of that compliance;

(b) whether those who manage D's affairs have adequate skills and experience and have acted and may be expected to act with probity.

Effective supervision

5F. (1) D must be capable of being effectively supervised by the PRA.

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(2) The matters which are relevant in determining whether D satisfies the condition in sub-paragraph (1) include—

(a) the nature (including the complexity) of the regulated activities that D carries on or seeks to carry on;

(b) the complexity of any products that D provides or will provide in carrying on those activities;

(c) the way in which D's business is organised;

(d) if D is a member of a group, whether membership of the group is likely to prevent the PRA's effective supervision of D;

(e) whether D is subject to consolidated supervision required under any **[**F3722relevant implementing provisions**]**;

(f) if D has close links with another person ("CL")—

(i) the nature of the relationship between D and CL,

(ii) whether those links are or that relationship is likely to prevent the PRA's effective supervision of D, and

(iii) if CL is subject to the laws, regulations or administrative provisions of a **[**F3723country or territory outside the United Kingdom**]** ("the foreign provisions"), whether those foreign provisions, or any deficiency in their enforcement, would prevent the PRA's effective supervision of D.

(3) D has close links with CL if—

(a) CL is a parent undertaking of D,

(b) CL is a subsidiary undertaking of D,

(c) CL is a parent undertaking of a subsidiary undertaking of D,

(d) CL is a subsidiary undertaking of a parent undertaking of D,

(e) CL owns or controls 20% or more of the voting rights or capital of D, or

(f) D owns or controls 20% or more of the voting rights or capital of CL.**]**

Textual Amendments

F3722 Words in Sch. 6 para. 5F(2)(e) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **102(a)**; 2020 c. 1, Sch. 5 para. 1(1)

F3723 Words in Sch. 6 para. 5F(2)(f)(iii) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **102(b)**; 2020 c. 1, Sch. 5 para. 1(1)

F3724PART 1F

AUTHORISATION UNDER SCHEDULE 3

Textual Amendments

F3724 Sch. 6 Pt. 1F omitted (31.12.2020) by virtue of The EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018 (S.I. 2018/1149), reg. 1(3), **Sch. para. 23(2)** (with reg. 4); 2020 c. 1, Sch. 5 para. 1(1)

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6A. . . . . .

F3725PART 1G

AUTHORISATION UNDER SCHEDULE 4

Textual Amendments

F3725 Sch. 6 Pt. 1G omitted (31.12.2020) by virtue of The EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018 (S.I. 2018/1149), reg. 1(3), **Sch. para. 23(3)** (with reg. 4); 2020 c. 1, Sch. 5 para. 1(1)

7A. . . . . .

PART II

AUTHORISATION

Authorisation under Schedule 3

F3682... . . . . .

Textual Amendments

F3682 Sch. 6 Pts. 1-1G substituted for Sch. 6 Pts. 1, 2 (1.4.2013) by The Financial Services and Markets Act 2000 (Threshold Conditions) Order 2013 (S.I. 2013/555), arts. 1, **2(2)**

PART III

ADDITIONAL CONDITIONS

8 (1) If this paragraph applies to the person concerned, he must, for the purposes of such provisions of this Act as may be specified, satisfy specified additional conditions.

(2) This paragraph applies to a person who—

(a) has his head office outside the **[**F3726United Kingdom**]**; and

(b) appears to **[**F3727such of the FCA or the PRA as may be specified,**]** to be seeking to carry on a regulated activity relating to insurance business.

(3) "Specified" means specified in, or in accordance with, an order made by the Treasury.

Textual Amendments

F3726 Words in Sch. 6 para. 8(2)(a) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **103**; 2020 c. 1, Sch. 5 para. 1(1)

F3727 Words in Sch. 6 para. 8(2)(b) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 18 para. 26** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

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Commencement Information

I93 Sch. 6 Pt. III para. 8 wholly in force at 3.9.2001; Sch. 6 Pt. III para. 8 not in force at Royal Assent see s. 431(2); Sch. 6 Pt. III para. 8 in force for certain purposes at 25.2.2001 by S.I. 2001/516, art. 2(b), **Sch. Pt. 2**; Sch. 6 Pt. III para. 8 in force in so far as not already in force at 3.9.2001 by S.I. 2001/2632, art. 2(2), **Sch. Pt. 2**

F3728 9 . . . . . .

Textual Amendments

F3728 Sch. 6 para. 9 omitted (1.4.2013) by virtue of Financial Services Act 2012 (c. 21), **ss. 11(3)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

[F3729 SCHEDULE 6A

Section 55JA

VARIATION OR CANCELLATION OF PART 4A PERMISSION ON INITIATIVE OF FCA: ADDITIONAL POWER

Textual Amendments

F3729 Sch. 6A inserted (1.7.2021) by Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 11 para. 3**; S.I. 2021/739, reg. 3(p)

Additional power

1 (1) If it appears to the FCA that an FCA-authorised person with a Part 4A permission is carrying on no regulated activity to which the permission relates, the FCA may exercise its power under this paragraph.

(2) The FCA's power under this paragraph is the power—

(a) to vary the Part 4A permission by—

(i) removing a regulated activity from those to which the permission relates, or

(ii) varying the description of a regulated activity to which the permission relates, or

(b) to cancel the Part 4A permission.

(3) The circumstances in which the FCA may form the view that an authorised person is carrying on no regulated activity include (but are not limited to) circumstances where the person fails—

(a) to pay any periodic fee or levy as is required by the FCA Handbook, or

(b) to provide such information to the FCA as is required by the FCA Handbook.

(4) "The FCA Handbook" means the Handbook made by the FCA under this Act (as that Handbook is amended from time to time).

(5) If, as a result of a variation of a permission under this paragraph, there are no longer any regulated activities for which the person has permission, the FCA must, once it is satisfied that it is no longer necessary to keep the permission in force, cancel it.

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(6) The power to vary a permission under this paragraph extends to including in the permission as varied any provision that could be included if a fresh permission were being given in response to an application to the FCA under section 55A.

(7) The FCA's power under this paragraph must be exercised in accordance with paragraph 2.

Procedure etc

2 (1) The FCA may exercise its power under paragraph 1 in relation to an authorised person with a Part 4A permission only if the following conditions are met.

(2) The first condition is that the FCA has given a notice in writing to the person—

(a) stating that it appears to the FCA that the person is carrying on no regulated activity to which the permission relates,

(b) inviting the person to respond in a specified manner, and

(c) warning of the potential consequences that may arise under this Schedule of a failure to do so.

(3) The second condition is that—

(a) at least 14 days beginning with the date on which the notice was given have elapsed, and

(b) the person has failed to respond in the specified manner.

(4) The third condition is that the FCA has given a further notice in writing to the person setting out—

(a) in a case where the FCA proposes to vary the permission—

(i) the proposed variation,

(ii) the date on which the FCA proposes to vary the permission (and, if different, the date on which the variation is to take effect), and

(iii) any specified steps the person may take that would (if taken) result in the FCA deciding not to vary the permission as proposed;

(b) in a case where the FCA proposes to cancel the permission—

(i) the date on which the FCA proposes to cancel the permission (and, if different, the date on which the cancellation is to take effect), and

(ii) any specified steps the person may take that would (if taken) result in the FCA deciding not to cancel the permission.

(5) The fourth condition is that the date specified in the notice under sub-paragraph (4) is not earlier than the end of the period of 14 days beginning with the date on which the notice is given.

(6) Where the FCA decides to publicise a notice given under this paragraph (or any details relating to it), it may do so in such manner as it considers appropriate.

Notice of decision

3 (1) Where the FCA decides to vary or cancel an authorised person's Part 4A permission under paragraph 1, the FCA must give the person a notice in writing setting out—

(a) in a case where the FCA varies the permission, the variation,

(b) the date on which the variation or cancellation takes effect, and

(c) the person's power to make an application under paragraph 4.

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(2) Where the FCA—

(a) has given the person a notice under paragraph 2(4), but

(b) decides not to vary or cancel the permission (whether or not because the specified steps referred to in that notice have been taken),

the FCA must give the person a notice in writing of that decision.

(3) A notice given under this paragraph may include such other information as the FCA considers appropriate.

(4) Where the FCA decides to publicise a notice given under this paragraph (or any details relating to it), it may do so in such manner as it considers appropriate.

Application for decision to be annulled

4 (1) This paragraph applies where the FCA decides to vary or cancel an authorised person's Part 4A permission under paragraph 1.

(2) If the person is aggrieved by the FCA's decision, the person may apply to the FCA to have the decision annulled.

(3) An application under this paragraph must be made before the end of the period of 12 months beginning with the day on which the variation or cancellation took effect.

(4) An application under this paragraph must be determined before the end of the period of 6 months beginning with the date on which the FCA received the completed application.

(5) The applicant may withdraw the application, by giving the FCA written notice, at any time before the FCA determines it.

(6) The FCA may direct that an application under this paragraph must—

(a) contain specified information, or

(b) take a specified form.

Annulment etc

5 (1) This paragraph applies where the FCA receives an application under paragraph 4 in relation to a decision to vary or cancel an authorised person's Part 4A permission under paragraph 1.

(2) The FCA may—

(a) annul the decision unconditionally,

(b) annul the decision subject to such conditions as it considers appropriate, or

(c) refuse to annul the decision.

(3) The FCA may annul the decision (unconditionally or subject to conditions) only if satisfied that, in all the circumstances, it is just and reasonable to do so.

(4) The FCA's power under sub-paragraph (2)(b) includes the power—

(a) to remove or describe differently a regulated activity specified in the permission, and

(b) to withdraw or vary an approval given under section 59 that has effect in relation to the carrying on of a regulated activity specified in the permission,

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provided that the activity in question was one to which the permission related immediately before the decision was taken.

(5) Where the FCA annuls the decision it must give the person a notice in writing setting out—

(a) where the annulment is subject to conditions, the conditions, and

(b) the date on which the annulment takes effect.

(6) If the FCA proposes to refuse to annul the decision it must give the person a warning notice.

(7) If the FCA decides to refuse to annul the decision it must give the person a decision notice.

Effect

6 (1) Where the FCA—

(a) varies or cancels an authorised person's Part 4A permission under paragraph 1, but

(b) that decision is subsequently annulled under paragraph 5,

the variation or cancellation is treated as if it had not taken place, subject as follows.

(2) The FCA does not become subject to any statutory obligation by virtue of sub-paragraph (1).

(3) Where, by virtue of sub-paragraph (1)—

(a) a person becomes subject to a statutory obligation, and

(b) the FCA has functions in relation to the obligation,

the FCA may, in exercising those functions, treat the person as if the person had not become subject to the obligation.

(4) If the FCA treats a person as not having become subject to an obligation, it must notify the person of that fact in such manner as it considers appropriate.

(5) In a case where paragraph 5(4)(a) applies—

(a) the permission is treated as if it had been varied in accordance with the FCA's own-initiative variation power, and

(b) that variation is treated as if it took effect on the date on which the annulment took effect.

(6) In a case where paragraph 5(4)(b) applies—

(a) the approval is treated as if it had been withdrawn in accordance with section 63 or varied in accordance with section 63ZB (as the case may be), and

(b) that withdrawal or variation is treated as if it took effect on the date on which the annulment took effect.

(7) In this paragraph "statutory obligation" means any obligation arising under or by virtue of this Act or any other enactment.

(8) In sub-paragraph (7) "enactment" includes—

(a) the enactments listed in section 3T, and

(b) any **[**F3730assimilated direct**]** legislation.

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Textual Amendments

F3730 Words in Sch. 6A para. 6(8)(b) substituted (1.1.2024) by The Retained EU Law (Revocation and Reform) Act 2023 (Consequential Amendment) Regulations 2023 (S.I. 2023/1424), reg. 1(2), **Sch. para. 44(4)(x)**

Right to refer matter to Tribunal

7 (1) This paragraph applies where the FCA—

(a) decides to vary or cancel an authorised person's Part 4A permission under paragraph 1,

(b) receives an application from the person under paragraph 4 in respect of that decision, and

(c) has disposed of that application under paragraph 5(2).

(2) Either party may refer the matter to the Tribunal.

(3) In determining a reference made under this paragraph, the Tribunal may give such directions, and may make such provision, as it considers reasonable for placing the person and other persons in the same position (as nearly as may be) as if the permission had not been varied or cancelled.

Supplementary

8 (1) Nothing in this Schedule affects the generality of any other provision made under or by virtue of this Act that confers power on the FCA to vary or cancel an authorised person's Part 4A permission.

(2) Nothing in paragraph 6(5) and (6) gives rise to a right to make a reference to the Tribunal.

(3) Sections 55U to 55X (applications made under Part 4A: procedure) do not apply in relation to an application made under paragraph 4.

(4) Section 55Z (cancellation of Part 4A permission: procedure) does not apply in relation to a proposal, or decision, to cancel an authorised person's Part 4A permission under paragraph 1.

(5) Section 55Z3(1) (right to refer matters to the Tribunal) does not apply in relation to the determination of an application under paragraph 4.

(6) In this Schedule "specified" means specified in a direction given by the FCA under this Schedule.

(7) A direction made by the FCA under this Schedule may make different provision for different cases.

(8) The FCA may revoke or amend a direction it makes under this Schedule.]

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

[F3731SCHEDULE 6B

DESIGNATED ACTIVITIES

Textual Amendments

F3731 Sch. 6B inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), s. 86(3), **Sch. 3**; S.I. 2023/779, reg. 4(aaa)

Introductory

1 The matters with respect to which provision may be made under section 71K in respect of activities include (but are not limited to) those described in general terms in this Schedule.

Derivatives

2 Activities related to entering into derivative contracts (including those contracts not cleared by a central counterparty).

3 Holding positions in commodity derivatives.

Short selling

4 Engaging in short selling in relation to specified financial instruments ("shorted instruments") including where—

(a) a person enters into a transaction which creates, or relates to, another financial instrument, and

(b) the effect (or one of the effects) of the transaction is to confer a financial advantage on that person in the event of a decrease in the price or value of the shorted instrument.

Securitisation

5 Acting as one of the following in a securitisation—

(a) an originator,

(b) a sponsor,

(c) an original lender, or

(d) a securitisation special purpose entity.

6 Selling a securitisation position to a retail client located in the United Kingdom.

Financial markets

7 Offering securities to the public.

8 Applying for, securing or maintaining the admission of securities to trading on a securities market.

Using a benchmark

9 Issuing an instrument which references a benchmark.

Status: *This version of this Act contains provisions that are prospective.*
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10 Determining the amount payable under an instrument or financial contract by reference to a benchmark or otherwise being a party to a financial contract which references a benchmark.

11 Measuring the performance of an investment fund through a benchmark.

Contributing to a benchmark

12 Acting as a "benchmark contributor" including persons in the United Kingdom or a third country.

13 Contributing data to a regulated benchmark administrator for the purpose of the administrator determining a benchmark.**]**

[F3732SCHEDULE 6C

Sections 71T, 71U

LISTED DESIGNATED ACTIVITY REGULATIONS AND REQUIREMENTS FOR PURPOSES OF CERTAIN PROVISIONS

Textual Amendments

F3732 Sch. 6C inserted (14.1.2025) by The Financial Services and Markets Act 2000 (Designated Activities) (Supervision and Enforcement) Regulations 2025 (S.I. 2025/22), reg. 1(2), **Sch. para. 24**

PART 1

PROVISIONS DESIGNATING RELEVANT DESIGNATED ACTIVITIES

Part 2 of the Short Selling Regulations 2025.

Part 2 of the Consumer Composite Investments (Designated Activities) Regulations 2024.

[F3733Part 2 of the Financial Services and Markets Act 2000 (Cryptoassets) Regulations 2026.**]**

Textual Amendments

F3733 Words in Sch. 6C Pt. 1 inserted (25.2.2026 for specified purposes) by The Financial Services and Markets Act 2000 (Cryptoassets) Regulations 2026 (S.I. 2026/102), regs. 1(2)(3), **41(7)(a)** (with regs. 53-56)

PART 2

RELEVANT PART 5A REQUIREMENTS FOR PURPOSES OF SPECIFIED PROVISIONS

Provision of this Act	*Designated activity regulations*	*Descriptions of requirement*
Part 11	(1) Short Selling Regulations 2025.	(1) Requirements imposed by designated activity rules. (2) Requirements imposed by directions under section 71O.

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Provision of this Act	*Designated activity regulations*	*Descriptions of requirement*
	(2) Consumer Composite Investments (Designated Activities) Regulations 2024. **[**F3734(3) Part 2 of the Financial Services and Markets Act 2000 (Cryptoassets) Regulations 2026.**]**	
Part 14	(1) Short Selling Regulations 2025. (2) Consumer Composite Investments (Designated Activities) Regulations 2024. **[**F3735(3) Part 2 of the Financial Services and Markets Act 2000 (Cryptoassets) Regulations 2026.**]**	(1) Requirements imposed by designated activity rules. (2) Requirements imposed by directions under section 71O. (3) Requirements imposed by or under Part 11 by reason of the person concerned being, or having been, subject to a requirement of a kind mentioned in paragraph (1) or (2). (4) Requirements imposed under section 206B.

Textual Amendments

F3734 Words in Sch. 6C Pt. 2 table inserted (25.2.2026 for specified purposes) by The Financial Services and Markets Act 2000 (Cryptoassets) Regulations 2026 (S.I. 2026/102), regs. 1(2)(3), **41(7)(b)(i)** (with regs. 53-56)

F3735 Words in Sch. 6C Pt. 2 table inserted (25.2.2026 for specified purposes) by The Financial Services and Markets Act 2000 (Cryptoassets) Regulations 2026 (S.I. 2026/102), regs. 1(2)(3), **41(7)(b)(ii)** (with regs. 53-56)

PART 3

RELEVANT PART 5A DIRECTIONS FOR PURPOSES OF CHAPTER 2 OF PART 5A

Designated activity regulations	*Excluded directions*
Short Selling Regulations 2025.	
Consumer Composite Investments (Designated Activities) Regulations 2024.	A direction that the FCA publishes under section 71O(9) instead of proceeding under section 71O(8).
[F3736Part 2 of the Financial Services and Markets Act 2000 (Cryptoassets) Regulations 2026.**]]**	

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Textual Amendments

F3736 Words in Sch. 6C Pt. 3 table inserted (25.2.2026 for specified purposes) by The Financial Services and Markets Act 2000 (Cryptoassets) Regulations 2026 (S.I. 2026/102), regs. 1(2)(3), **41(7)(c)** (with regs. 53-56)

F3737 SCHEDULE 7

Section 72(2).

. . . . . .

Textual Amendments

F3737 Sch. 7 omitted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by virtue of Financial Services Act 2012 (c. 21), **ss. 16(14)(k)**, 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F3738 SCHEDULE 8

Section 72(3).

. . . . . .

Textual Amendments

F3738 Sch. 8 omitted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by virtue of Financial Services Act 2012 (c. 21), **ss. 16(14)(l)**, 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F3739 SCHEDULE 9

. . . . . .

Textual Amendments

F3739 Sch. 9 repealed (1.7.2005) by The Prospectus Regulations 2005 (S.I. 2005/1433), reg. 2(1), **Sch. 1 para. 16**

Status: *This version of this Act contains provisions that are prospective.*
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SCHEDULE 10

Section 90(2) and (5).

COMPENSATION: EXEMPTIONS

Modifications etc. (not altering text)
C1685 Sch. 10 restricted (1.12.2001) by S.I. 2001/2957, **arts. 1**, 7(3); S.I. 2001/3538, **art. 2(1)**

Statements believed to be true

1 (1) In this paragraph "statement" means—

(a) any untrue or misleading statement in listing particulars; or

(b) the omission from listing particulars of any matter required to be included by section 80 or 81.

(2) A person does not incur any liability under section 90(1) for loss caused by a statement if he satisfies the court that, at the time when the listing particulars were submitted to the **[**[F3740]FCA**]**, he reasonably believed (having made such enquiries, if any, as were reasonable) that—

(a) the statement was true and not misleading, or

(b) the matter whose omission caused the loss was properly omitted,

and that one or more of the conditions set out in sub-paragraph (3) are satisfied.

(3) The conditions are that—

(a) he continued in his belief until the time when the securities in question were acquired;

(b) they were acquired before it was reasonably practicable to bring a correction to the attention of persons likely to acquire them;

(c) before the securities were acquired, he had taken all such steps as it was reasonable for him to have taken to secure that a correction was brought to the attention of those persons;

(d) he continued in his belief until after the commencement of dealings in the securities following their admission to the official list and they were acquired after such a lapse of time that he ought in the circumstances to be reasonably excused.

Textual Amendments
F3740 Word in Sch. 10 substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), **ss. 16(13)**, 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

Statements by experts

2 (1) In this paragraph "statement" means a statement included in listing particulars which—

(a) purports to be made by, or on the authority of, another person as an expert; and

(b) is stated to be included in the listing particulars with that other person's consent.

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(2) A person does not incur any liability under section 90(1) for loss in respect of any securities caused by a statement if he satisfies the court that, at the time when the listing particulars were submitted to the **[**[F3740]FCA**]**, he reasonably believed that the other person—

(a) was competent to make or authorise the statement, and

(b) had consented to its inclusion in the form and context in which it was included,

and that one or more of the conditions set out in sub-paragraph (3) are satisfied.

(3) The conditions are that—

(a) he continued in his belief until the time when the securities were acquired;

(b) they were acquired before it was reasonably practicable to bring the fact that the expert was not competent, or had not consented, to the attention of persons likely to acquire the securities in question;

(c) before the securities were acquired he had taken all such steps as it was reasonable for him to have taken to secure that that fact was brought to the attention of those persons;

(d) he continued in his belief until after the commencement of dealings in the securities following their admission to the official list and they were acquired after such a lapse of time that he ought in the circumstances to be reasonably excused.

Textual Amendments

F3740 Word in Sch. 10 substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), **ss. 16(13)**, 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

Corrections of statements

3 (1) In this paragraph "statement" has the same meaning as in paragraph 1.

(2) A person does not incur liability under section 90(1) for loss caused by a statement if he satisfies the court—

(a) that before the securities in question were acquired, a correction had been published in a manner calculated to bring it to the attention of persons likely to acquire the securities; or

(b) that he took all such steps as it was reasonable for him to take to secure such publication and reasonably believed that it had taken place before the securities were acquired.

(3) Nothing in this paragraph is to be taken as affecting paragraph 1.

Corrections of statements by experts

4 (1) In this paragraph "statement" has the same meaning as in paragraph 2.

(2) A person does not incur liability under section 90(1) for loss caused by a statement if he satisfies the court—

(a) that before the securities in question were acquired, the fact that the expert was not competent or had not consented had been published in a manner

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calculated to bring it to the attention of persons likely to acquire the securities; or

(b) that he took all such steps as it was reasonable for him to take to secure such publication and reasonably believed that it had taken place before the securities were acquired.

(3) Nothing in this paragraph is to be taken as affecting paragraph 2.

Official statements

5 A person does not incur any liability under section 90(1) for loss resulting from—

(a) a statement made by an official person which is included in the listing particulars, or

(b) a statement contained in a public official document which is included in the listing particulars,

if he satisfies the court that the statement is accurately and fairly reproduced.

False or misleading information known about

6 A person does not incur any liability under section 90(1) or (4) if he satisfies the court that the person suffering the loss acquired the securities in question with knowledge—

(a) that the statement was false or misleading,

(b) of the omitted matter, or

(c) of the change or new matter,

as the case may be.

Belief that supplementary listing particulars not called for

7 A person does not incur any liability under section 90(4) if he satisfies the court that he reasonably believed that the change or new matter in question was not such as to call for supplementary listing particulars.

Meaning of "expert"

8 "Expert" includes any engineer, valuer, accountant or other person whose profession, qualifications or experience give authority to a statement made by him.

[F3741SCHEDULE 10A

Section 90A

LIABILITY OF ISSUERS IN CONNECTION WITH PUBLISHED INFORMATION

Textual Amendments

F3741 Sch. 10A inserted (1.10.2010 with effect in accordance with reg. 3(1) of the amending S.I.) by The Financial Services and Markets Act 2000 (Liability of Issuers) Regulations 2010 (S.I. 2010/1192), reg. 2(3), **Sch.**

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

PART 1

SCOPE OF THIS SCHEDULE

Securities to which this Schedule applies

1 (1) This Schedule applies to securities that are, with the consent of the issuer, admitted to trading on a securities market, where—

(a) the market is situated or operating in the United Kingdom, or

(b) the United Kingdom is the issuer's home State.

(2) For the purposes of this Schedule—

(a) an issuer of securities is not taken to have consented to the securities being admitted to trading on a securities market by reason only of having consented to their admission to trading on another market as a result of which they are admitted to trading on the first-mentioned market;

(b) an issuer who has accepted responsibility (to any extent) for any document prepared for the purposes of the admission of the securities to trading on a securities market (such as a prospectus or listing particulars) is taken to have consented to their admission to trading on that market.

[F3742(3) For the purposes of this Schedule the United Kingdom is the home State of an issuer if—

(a) the transparency rules impose requirements on the issuer in relation to the securities, or

(b) the issuer has its registered office (or, if it does not have a registered office, its head office) in the United Kingdom.**]**

Textual Amendments

F3742 Sch. 10A para. 1(3) substituted (31.12.2020) by The Official Listing of Securities, Prospectus and Transparency (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/707), regs. 1(2), **37(2)** (with savings in S.I. 2019/680, reg. 11 (as amended by S.I. 2019/1234, regs. 1(3), 29(2))); 2020 c. 1, Sch. 5 para. 1(1)

Published information to which this Schedule applies

2 (1) This Schedule applies to information published by the issuer of securities to which this Schedule applies—

(a) by recognised means, or

(b) by other means where the availability of the information has been announced by the issuer by recognised means.

(2) It is immaterial whether the information is required to be published (by recognised means or otherwise).

(3) The following are "recognised means"—

(a) a recognised information service;

(b) other means required or authorised to be used to communicate information to the market in question, or to the public, when a recognised information service is unavailable.

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(4) A "recognised information service" means—

(a) in relation to a securities market situated or operating in the **[**F3743United Kingdom**]**, a service used for the dissemination of information in accordance with **[**F3744transparency rules**]**;

(b) in relation to a securities market situated or operating outside the **[**F3745United Kingdom**]**, a service used for the dissemination of information corresponding to that required to be disclosed under **[**F3746transparency rules**]**; or

(c) in relation to any securities market, any other service used by issuers of securities for the dissemination of information required to be disclosed by the rules of the market.

Textual Amendments

F3743 Words in Sch. 10A para. 2(4)(a) substituted (31.12.2020) by The Official Listing of Securities, Prospectus and Transparency (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/707), regs. 1(2), **37(3)(a)(i)** (with savings in S.I. 2019/680, reg. 11 (as amended by S.I. 2019/1234, regs. 1(3), 29(2))); 2020 c. 1, Sch. 5 para. 1(1)

F3744 Words in Sch. 10A para. 2(4)(a) substituted (31.12.2020) by The Official Listing of Securities, Prospectus and Transparency (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/707), regs. 1(2), **37(3)(a)(ii)** (with savings in S.I. 2019/680, reg. 11 (as amended by S.I. 2019/1234, regs. 1(3), 29(2))); 2020 c. 1, Sch. 5 para. 1(1)

F3745 Words in Sch. 10A para. 2(4)(b) substituted (31.12.2020) by The Official Listing of Securities, Prospectus and Transparency (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/707), regs. 1(2), **37(3)(b)(i)** (with savings in S.I. 2019/680, reg. 11 (as amended by S.I. 2019/1234, regs. 1(3), 29(2))); 2020 c. 1, Sch. 5 para. 1(1)

F3746 Words in Sch. 10A para. 2(4)(b) substituted (31.12.2020) by The Official Listing of Securities, Prospectus and Transparency (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/707), regs. 1(2), **37(3)(b)(ii)** (with savings in S.I. 2019/680, reg. 11 (as amended by S.I. 2019/1234, regs. 1(3), 29(2))); 2020 c. 1, Sch. 5 para. 1(1)

PART 2

LIABILITY IN CONNECTION WITH PUBLISHED INFORMATION

Liability of issuer for misleading statement or dishonest omission

3 (1) An issuer of securities to which this Schedule applies is liable to pay compensation to a person who—

(a) acquires, continues to hold or disposes of the securities in reliance on published information to which this Schedule applies, and

(b) suffers loss in respect of the securities as a result of—

(i) any untrue or misleading statement in that published information, or

(ii) the omission from that published information of any matter required to be included in it.

(2) The issuer is liable in respect of an untrue or misleading statement only if a person discharging managerial responsibilities within the issuer knew the statement to be untrue or misleading or was reckless as to whether it was untrue or misleading.

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(3) The issuer is liable in respect of the omission of any matter required to be included in published information only if a person discharging managerial responsibilities within the issuer knew the omission to be a dishonest concealment of a material fact.

(4) A loss is not regarded as suffered as a result of the statement or omission unless the person suffering it acquired, continued to hold or disposed of the relevant securities—

(a) in reliance on the information in question, and

(b) at a time when, and in circumstances in which, it was reasonable for him to rely on it.

4 An issuer of securities to which this Schedule applies is not liable under paragraph 3 to pay compensation to a person for loss suffered as a result of an untrue or misleading statement in, or omission from, published information to which this Schedule applies if—

(a) the published information is contained in listing particulars or a prospectus (or supplementary listing particulars or a supplementary prospectus), and

(b) the issuer is liable under section 90 (compensation for statements in listing particulars or prospectus) to pay compensation to the person in respect of the statement or omission.

Liability of issuer for dishonest delay in publishing information

5 (1) An issuer of securities to which this Schedule applies is liable to pay compensation to a person who—

(a) acquires, continues to hold or disposes of the securities, and

(b) suffers loss in respect of the securities as a result of delay by the issuer in publishing information to which this Schedule applies.

(2) The issuer is liable only if a person discharging managerial responsibilities within the issuer acted dishonestly in delaying the publication of the information.

Meaning of dishonesty

6 For the purposes of paragraphs 3(3) and 5(2) a person's conduct is regarded as dishonest if (and only if)—

(a) it is regarded as dishonest by persons who regularly trade on the securities market in question, and

(b) the person was aware (or must be taken to have been aware) that it was so regarded.

Exclusion of certain other liabilities

7 (1) The issuer is not subject—

(a) to any liability other than that provided for by paragraph 3 in respect of loss suffered as a result of reliance by any person on—

(i) an untrue or misleading statement in published information to which this Schedule applies, or

(ii) the omission from any such published information of any matter required to be included in it;

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(b) to any liability other than that provided for by paragraph 5 in respect of loss suffered as a result of delay in the publication of information to which this Schedule applies.

(2) A person other than the issuer is not subject to any liability, other than to the issuer, in respect of any such loss.

(3) This paragraph does not affect—

(a) civil liability—

(i) under section 90 (compensation for statements in listing particulars F3747...),

[F3748(ia) under regulation 30 of the Public Offers and Admissions to Trading Regulations 2024 (compensation for statements in prospectus etc),**]**

(ii) under rules made by virtue of section 954 of the Companies Act 2006 (compensation),

(iii) for breach of contract,

(iv) under the Misrepresentation Act 1967, or

(v) arising from a person's having assumed responsibility, to a particular person for a particular purpose, for the accuracy or completeness of the information concerned;

(b) liability to a civil penalty; or

(c) criminal liability.

(4) This paragraph does not affect the powers conferred by sections 382 and 384 (powers of the court to make a restitution order and of the Authority to require restitution).

(5) References in this paragraph to liability, in relation to a person, include a reference to another person being entitled as against that person to be granted any civil remedy or to rescind or repudiate an agreement.

Textual Amendments

F3747 Words in Sch. 10A para. 7(3)(a)(i) omitted (30.1.2024 for specified purposes, 19.1.2026 in so far as not already in force) by virtue of The Public Offers and Admissions to Trading Regulations 2024 (S.I. 2024/105), reg. 2(2)(3), **Sch. 3 para. 22(a)** (with regs. 48-50); S.I. 2025/1078, reg. 5(b) (with reg. 12)

F3748 Sch. 10A para. 7(3)(a)(ia) inserted (30.1.2024 for specified purposes, 19.1.2026 in so far as not already in force) by The Public Offers and Admissions to Trading Regulations 2024 (S.I. 2024/105), reg. 2(2)(3), **Sch. 3 para. 22(b)** (with regs. 48-50); S.I. 2025/1078, reg. 5(b) (with reg. 12)

PART 3

SUPPLEMENTARY PROVISIONS

Interpretation

8 (1) In this Schedule—

[F3749(a) "securities" means transferable securities as defined in Article 2(1)(24) of the markets in financial instruments regulation, other than money market instruments as defined in Article 2(1)(25A) of that regulation that have a

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maturity of less than 12 months (and includes instruments outside the United Kingdom);**]**

(b) "securities market" means—

[F3750(i) a regulated market as defined in Article 2(1)(13) of the markets in financial instruments regulation, or

(ii) a multilateral trading facility as defined in Article 2(1)(14) of that regulation.**]**

(2) References in this Schedule to the issuer of securities are—

(a) in relation to a depositary receipt, derivative instrument or other financial instrument representing securities where the issuer of the securities represented has consented to the admission of the instrument to trading as mentioned in paragraph 1(1), to the issuer of the securities represented;

(b) in any other case, to the person who issued the securities.

(3) References in this Schedule to the acquisition or disposal of securities include—

(a) acquisition or disposal of any interest in securities, or

(b) contracting to acquire or dispose of securities or of any interest in securities,

except where what is acquired or disposed of (or contracted to be acquired or disposed of) is a depositary receipt, derivative instrument or other financial instrument representing securities.

(4) References to continuing to hold securities have a corresponding meaning.

(5) For the purposes of this Schedule the following are persons "discharging managerial responsibilities" within an issuer—

(a) any director of the issuer (or person occupying the position of director, by whatever name called);

(b) in the case of an issuer whose affairs are managed by its members, any member of the issuer;

(c) in the case of an issuer that has no persons within paragraph (a) or (b), any senior executive of the issuer having responsibilities in relation to the information in question or its publication.

(6) The following definitions (which apply generally for the purposes of Part 6 of this Act) do not apply for the purposes of this Schedule:

(a) section 102A(1), (2) and (6) (meaning of "securities" and "issuer");

F3751(b) . . . . . .**]**

Textual Amendments

F3749 Sch. 10A para. 8(1)(a) substituted (31.12.2020) by The Official Listing of Securities, Prospectus and Transparency (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/707), regs. 1(2), **37(4)(a)(i)** (with savings in S.I. 2019/680, reg. 11 (as amended by S.I. 2019/1234, regs. 1(3), 29(2))); 2020 c. 1, Sch. 5 para. 1(1)

F3750 Sch. 10A para. 8(1)(b)(i)(ii) substituted for Sch. 10A para. 8(1)(b)(i)-(iii) (31.12.2020) by The Official Listing of Securities, Prospectus and Transparency (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/707), regs. 1(2), **37(4)(a)(ii)** (with savings in S.I. 2019/680, reg. 11 (as amended by S.I. 2019/1234, regs. 1(3), 29(2))); 2020 c. 1, Sch. 5 para. 1(1)

F3751 Sch. 10A para. 8(6)(b) omitted (31.12.2020) by virtue of The Official Listing of Securities, Prospectus and Transparency (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/707), regs. 1(2), **37(4)(b)**

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

(with savings in S.I. 2019/680, reg. 11 (as amended by S.I. 2019/1234, regs. 1(3), 29(2))); 2020 c. 1, Sch. 5 para. 1(1)

[F3752]SCHEDULE 11

. . . . . .

Textual Amendments

F3752 Sch. 11 repealed (1.7.2005) by The Prospectus Regulations 2005 (S.I. 2005/1433), reg. 2(1), **Sch. 1 para. 16**

[F3757]SCHEDULE 11A Section [F3758]85(6A)]

TRANSFERABLE SECURITIES

Textual Amendments

F3757 Sch. 11A Pt. 1 omitted (21.7.2019) by virtue of The Financial Services and Markets Act 2000 (Prospectus) Regulations 2019 (S.I. 2019/1043), regs. 1(1), **35(2)** (with reg. 40); Sch. 11A paras. 8, 9 omitted (21.7.2019) by virtue of The Financial Services and Markets Act 2000 (Prospectus) Regulations 2019 (S.I. 2019/1043), regs. 1(1), **35(3)(c)** (with reg. 40); and Sch. 11A omitted so far as still in force (30.1.2024 for specified purposes, 19.1.2026 in so far as not already in force) by virtue of The Public Offers and Admissions to Trading Regulations 2024 (S.I. 2024/105), reg. 2(2)(3), **Sch. 3 para. 23** (with regs. 48-50); S.I. 2025/1078, reg. 5(b) (with reg. 12)

F3758 Word in Sch. 11A shoulder reference substituted (21.7.2019) by The Financial Services and Markets Act 2000 (Prospectus) Regulations 2019 (S.I. 2019/1043), regs. 1(1), **35(4)** (with reg. 40)

[F3759]PART 1

Textual Amendments

F3759 Sch. 11A Pt. 1 omitted (21.7.2019) by virtue of The Financial Services and Markets Act 2000 (Prospectus) Regulations 2019 (S.I. 2019/1043), regs. 1(1), **35(2)** (with reg. 40)

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Status: *This version of this Act contains provisions that are prospective.*
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PART 2

F3757 7 . . . . . .

F3760 8 . . . . . .

Textual Amendments

F3760 Sch. 11A para. 8 omitted (21.7.2019) by virtue of The Financial Services and Markets Act 2000 (Prospectus) Regulations 2019 (S.I. 2019/1043), regs. 1(1), **35(3)(c)** (with reg. 40)

F3761 9 . . . . . .

Textual Amendments

F3761 Sch. 11A para. 9 omitted (21.7.2019) by virtue of The Financial Services and Markets Act 2000 (Prospectus) Regulations 2019 (S.I. 2019/1043), regs. 1(1), **35(3)(c)** (with reg. 40)

F3762 SCHEDULE 11B

Section 96B(2)

. . . . . .

Textual Amendments

F3762 Sch. 11B omitted (3.7.2016) by virtue of The Financial Services and Markets Act 2000 (Market Abuse) Regulations 2016 (S.I. 2016/680), regs. 1, **8(10)**

SCHEDULE 12

Sections 111(2) and 115.

TRANSFER SCHEMES: CERTIFICATES

PART I

INSURANCE BUSINESS TRANSFER SCHEMES

Modifications etc. (not altering text)

C1687 Sch. 12 Pt. I (paras. 1-6) applied (1.12.2001) by S.I. 2001/3626, **arts. 1**, 3(c)

[F3763 1 For the purposes of section 111(2) the appropriate certificate, in relation to an insurance business transfer scheme, is a certificate under paragraph 2.**]**

Status: *This version of this Act contains provisions that are prospective.*
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Textual Amendments

F3763 Sch. 12 para. 1 substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **105** (with transitional provisions in S.I. 2019/710, regs. 1(4), 36, Sch. para. 3); 2020 c. 1, Sch. 5 para. 1(1)

Modifications etc. (not altering text)

C1688 Sch. 12 para. 1 modified (31.12.2020) by The Financial Services (Miscellaneous) (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/710), reg. 1(3), Sch. para. 4, 5, **7(2)** (as amended by S.I. 2020/1301, regs. 1, 3, **Sch. para. 43(m)(iv)**); 2020 c. 1, Sch. 5 para. 1(1)

Certificates as to margin of solvency

2 (1) A certificate under this paragraph is to be given—

(a) by the relevant authority; or

(b) in a case in which there is no relevant authority, by the **[**F3764appropriate regulator**]**.

(2) A certificate given under sub-paragraph (1)(a) is one certifying that, taking the proposed transfer into account—

(a) the transferee possesses, or will possess before the scheme takes effect, the necessary margin of solvency; or

(b) there is no necessary margin of solvency applicable to the transferee.

(3) A certificate under sub-paragraph (1)(b) is one certifying that the **[**F3765appropriate regulator**]** has received from the authority which it considers to be the authority responsible for supervising persons who effect or carry out contracts of insurance in the place to which the business is to be transferred **[**F3766certification**]** that, taking the proposed transfer into account—

(a) the transferee possesses or will possess before the scheme takes effect the margin of solvency required under the law applicable in that place; or

(b) there is no such margin of solvency applicable to the transferee .

(4) "Necessary margin of solvency" means the margin of solvency required in relation to the transferee, taking the proposed transfer into account, under the law which it is the responsibility of the relevant authority to apply.

(5) "Margin of solvency" means the excess of the value of the assets of the transferee over the amount of its liabilities.

(6) "Relevant authority" means—

F3767(a) . . . . . .

F3768(aa) . . . . . .

(b) if the transferee is a Swiss general insurer, the authority responsible in Switzerland for supervising persons who effect or carry out contracts of insurance;

(c) if the transferee is an authorised person not falling within **[**F3769paragraph F3770... **]** (b) **[**F3771—

(i) the PRA, if the transferee is a PRA-authorised person with a Part 4A permission F3772...;

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(ii) the FCA, if the transferee is a person with a Part 4A permission F3773... but is not a PRA-authorised person.**]**

(7) In sub-paragraph (6), any reference to a transferee of a particular description includes a reference to a transferee who will be of that description if the proposed scheme takes effect.

F3774(7A) . . . . . .

(8) "Swiss general insurer" means a body—

(a) whose head office is in Switzerland;

(b) which has permission to carry on regulated activities consisting of the effecting and carrying out of contracts of general insurance; and

(c) whose permission is not restricted to the effecting or carrying out of contracts of reinsurance.

F3775(9) . . . . . .

Textual Amendments

F3764 Words in Sch. 12 para. 2(1)(b) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 6 para. 11(2)(a)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F3765 Words in Sch. 12 para. 2(3) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 6 para. 11(2)(b)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F3766 Word in Sch. 12 para. 2(3) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 6 para. 11(3)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F3767 Sch. 12 para. 2(6)(a) omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **106(3)(a)** (with transitional provisions in S.I. 2019/710, regs. 1(4), 36, Sch. para. 3); 2020 c. 1, Sch. 5 para. 1(1)

F3768 Sch. 12 para. 2(6)(aa) omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **106(3)(a)** (with transitional provisions in S.I. 2019/710, regs. 1(4), 36, Sch. para. 3); 2020 c. 1, Sch. 5 para. 1(1)

F3769 Words in Sch. 12 para. 2(6)(c) substituted (10.12.2007) by The Reinsurance Directive Regulations 2007 (S.I. 2007/3253), reg. 2(1), **Sch. 1 para. 2(5)(e)(iii)**

F3770 Words in Sch. 12 para. 2(6)(c) omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **106(3)(b)** (with transitional provisions in S.I. 2019/710, regs. 1(4), 36, Sch. para. 3); 2020 c. 1, Sch. 5 para. 1(1)

F3771 Sch. 12 para. 2(6)(c)(i)(ii) substituted for words (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 6 para. 11(4)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F3772 Words in Sch. 12 para. 2(6)(c)(i) omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **106(3)(c)** (with transitional provisions in S.I. 2019/710, regs. 1(4), 36, Sch. para. 3); 2020 c. 1, Sch. 5 para. 1(1)

F3773 Words in Sch. 12 para. 2(6)(c)(ii) omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **106(3)(c)** (with transitional provisions in S.I. 2019/710, regs. 1(4), 36, Sch. para. 3); 2020 c. 1, Sch. 5 para. 1(1)

F3774 Sch. 12 para. 2(7A) omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **106(4)** (with transitional provisions in S.I. 2019/710, regs. 1(4), 36, Sch. para. 3); 2020 c. 1, Sch. 5 para. 1(1)

F3775 Sch. 12 para. 2(9) omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **106(4)** (with transitional provisions in S.I. 2019/710, regs. 1(4), 36, Sch. para. 3); 2020 c. 1, Sch. 5 para. 1(1)

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Modifications etc. (not altering text)

C1689 Sch. 12 paras. 2, 3 applied (with modifications) by S.I. 2001/3626, art. 5(2A) (as inserted (1.9.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) (No. 3) Order 2013 (S.I. 2013/1765), arts. 1, **5(4)(c)**)

C1690 Sch. 12 para. 2 modified (31.12.2020) by The Financial Services (Miscellaneous) (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/710), reg. 1(3), Sch. para. 4, 5, **7(3)** (as amended by S.I. 2020/1301, regs. 1, 3, **Sch. para. 43(m)(v)(vii)**); 2020 c. 1, **Sch. 5 para. 1(1)**

Certificates as to ***[****F3776* *consultation****]***

Textual Amendments

F3776 Word in Sch. 12 para. 3 heading substituted (1.1.2016) by The Solvency 2 Regulations 2015 (S.I. 2015/575), reg. 1(2), **Sch. 1 para. 18(4)**

F3777 3 . . . . . .

Textual Amendments

F3777 Sch. 12 paras. 3-6 omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **107** (with transitional provisions in S.I. 2019/710, regs. 1(4), 36, Sch. paras. 3, 4, 5, 7(4)); 2020 c. 1, Sch. 5 para. 1(1)

Certificates as to consent

F3777 3A. . . . . .

Textual Amendments

F3777 Sch. 12 paras. 3-6 omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **107** (with transitional provisions in S.I. 2019/710, regs. 1(4), 36, Sch. paras. 3, 4, 5, 7(4)); 2020 c. 1, Sch. 5 para. 1(1)

Certificates as to long-term business

F3777 4 . . . . . .

Textual Amendments

F3777 Sch. 12 paras. 3-6 omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **107** (with transitional provisions in S.I. 2019/710, regs. 1(4), 36, Sch. paras. 3, 4, 5, 7(4)); 2020 c. 1, Sch. 5 para. 1(1)

Certificates as to general business

F3777 5 . . . . . .

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Textual Amendments

F3777 Sch. 12 paras. 3-6 omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **107** (with transitional provisions in S.I. 2019/710, regs. 1(4), 36, Sch. paras. 3, 4, 5, 7(4)); 2020 c. 1, Sch. 5 para. 1(1)

Certificates as to legality and as to consent

F3777 5A . . . . . .

Textual Amendments

F3777 Sch. 12 paras. 3-6 omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **107** (with transitional provisions in S.I. 2019/710, regs. 1(4), 36, Sch. paras. 3, 4, 5, 7(4)); 2020 c. 1, Sch. 5 para. 1(1)

Interpretation of Part I

F3777 6 . . . . . .

Textual Amendments

F3777 Sch. 12 paras. 3-6 omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **107** (with transitional provisions in S.I. 2019/710, regs. 1(4), 36, Sch. paras. 3, 4, 5, 7(4)); 2020 c. 1, Sch. 5 para. 1(1)

PART II

BANKING BUSINESS TRANSFER SCHEMES

[F3778 7 For the purposes of section 111(2) the appropriate certificate, in relation to a banking business transfer scheme, is a certificate under paragraph 8.**]**

Textual Amendments

F3778 Sch. 12 para. 7 substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **108**; 2020 c. 1, Sch. 5 para. 1(1)

Certificates as to financial resources

8 (1) A certificate under this paragraph is one given by the relevant authority and certifying that, taking the proposed transfer into account, the transferee possesses, or will possess before the scheme takes effect, adequate financial resources.

(2) "Relevant authority" means—

[F3779 (a) if the transferee is a PRA-authorised person with a Part 4A permission F3780 ..., the PRA;

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(aa) if the transferee is a person with Part 4A permission [F3781]... but is not a PRA-authorised person, the FCA;**]**

[F3782](b) . . . . . .

(c) if the transferee does not fall within paragraph **[**[F3783](a) or (aa)**]**, the authority responsible for the supervision of the transferee's business in the place in which the transferee has its head office.

(3) In sub-paragraph (2), any reference to a transferee of a particular description of person includes a reference to a transferee who will be of that description if the proposed banking business transfer scheme takes effect.

Textual Amendments

F3779 Sch. 12 para. 8(2)(a)(aa) substituted for Sch. 12 para. 8(2)(a) (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 6 para. 16(a)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F3780 Words in Sch. 12 para. 8(2)(a) omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **109(a)**; 2020 c. 1, Sch. 5 para. 1(1)

F3781 Words in Sch. 12 para. 8(2)(aa) omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **109(a)**; 2020 c. 1, Sch. 5 para. 1(1)

F3782 Sch. 12 para. 8(2)(b) omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **109(b)**; 2020 c. 1, Sch. 5 para. 1(1)

F3783 Words in Sch. 12 para. 8(2)(c) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **109(c)**; 2020 c. 1, Sch. 5 para. 1(1)

Certificates as to consent of home state regulator

[F3784]9 . . . . . .

Textual Amendments

F3784 Sch. 12 para. 9 omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **110**; 2020 c. 1, Sch. 5 para. 1(1)

[[F3785]**PART 2A**

RECLAIM FUND BUSINESS TRANSFER SCHEMES

Textual Amendments

F3785 Sch. 12 Pt. 2A inserted (12.3.2009) by Dormant Bank and Building Society Accounts Act 2008 (c. 31), ss. 15, 31(1)(2), **Sch. 2 para. 5**; S.I. 2009/490, **art. 2** (with art. 3)

Certificate as to financial resources

9A **[** For the purposes of section 111(2) the appropriate certificate, in relation to a reclaim [F3786](1)**]** fund business transfer scheme, is a certificate given by the **[**[F3787]relevant regulator**]**

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certifying that, taking the proposed transfer into account, the transferee possesses, or will possess before the scheme takes effect, adequate financial resources.

[In this paragraph the "relevant regulator" means—

F3788(2) (a) if the transferee is a PRA-authorised person, the PRA;

(b) in any other case, the FCA.**]]**

Textual Amendments

F3786 Sch. 12 para. 9A renumbered as Sch. 12 para. 9A(1) (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 6 para. 18(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F3787 Words in Sch. 12 para. 9A(1) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 6 para. 18(3)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F3788 Sch. 12 para. 9A(2) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 6 para. 18(4)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

[F3789PART 2B

RING-FENCING TRANSFER SCHEMES

Textual Amendments

F3789 Sch. 12 Pt. 2B inserted (1.3.2014) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), **Sch. 1 para. 13**; S.I. 2014/377, art. 2(1)(a), Sch. Pt. 1

Appropriate certificates

[F3790 9B For the purposes of section 111(2) the appropriate certificates, in relation to a ring-fencing transfer scheme, are—

(a) a certificate given by the PRA certifying its approval of the application, and

(b) a certificate under paragraph 9C.**]**

Textual Amendments

F3790 Sch. 12 para. 9B substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **111**; 2020 c. 1, Sch. 5 para. 1(1)

Certificate as to financial resources

9C (1) A certificate under this paragraph is one given by the relevant authority and certifying that, taking the proposed transfer into account, the transferee possesses, or will possess before the scheme takes effect, adequate financial resources.

(2) "Relevant authority" means—

(a) if the transferee is a PRA-authorised person with a Part 4A permission F3791..., the PRA;

F3792(b) . . . . . .

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(c) if the transferee does not fall within paragraph (a) [F3793]... but is subject to regulation in a country or territory outside the United Kingdom, the authority responsible for the supervision of the transferee's business in the place in which the transferee has its head office;

(d) in any other case, the FCA.

(3) In sub-paragraph (2), any reference to a transferee of a particular description includes a reference to a transferee who will be of that description if the proposed ring-fencing transfer scheme takes effect.**]**

Textual Amendments

F3791 Words in Sch. 12 para. 9C(2)(a) omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **112(a)**; 2020 c. 1, Sch. 5 para. 1(1)

F3792 Sch. 12 para. 9C(2)(b) omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **112(b)**; 2020 c. 1, Sch. 5 para. 1(1)

F3793 Words in Sch. 12 para. 9C(2)(c) omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **112(c)**; 2020 c. 1, Sch. 5 para. 1(1)

Certificate as to consent of home state regulator

[F3794]9D . . . . . .

Textual Amendments

F3794 Sch. 12 para. 9D omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **113**; 2020 c. 1, Sch. 5 para. 1(1)

PART III

INSURANCE BUSINESS TRANSFERS EFFECTED OUTSIDE THE UNITED KINGDOM

10 (1) This paragraph applies to a proposal to execute under provisions corresponding to Part VII in a country or territory other than the United Kingdom an instrument transferring all the rights and obligations of the transferor under general or long-term insurance policies, or under such descriptions of such policies as may be specified in the instrument, to the transferee if **[**[F3795]the condition in sub-paragraph (4)**]** is met in relation to it.

[F3796](2) . . . . . .

[F3797](3) . . . . . .

[[F3798](4) The transferor is a Swiss general insurer and the transferee is **[**[F3799]a UK authorised person as defined in section 105(8)**].]**

(5) In relation to a proposed transfer to which this paragraph applies, the **[**[F3800]regulator which supervises the transferee's margin of solvency**]** may, if it is satisfied that the

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transferee possesses the necessary margin of solvency, issue a certificate to that effect.

(6) "Necessary margin of solvency" means the margin of solvency which the transferee, taking the proposed transfer into account, is required by the **[**F3801FCA or the PRA**]** to maintain.

(7) "Swiss general insurer" has the same meaning as in paragraph 2.

(8) "General policy" means a policy evidencing a contract which, if it had been effected by the transferee, would have constituted the carrying on of a regulated activity consisting of the effecting of contracts of general insurance.

(9) "Long-term policy" means a policy evidencing a contract which, if it had been effected by the transferee, would have constituted the carrying on of a regulated activity consisting of the effecting of contracts of long-term insurance.

Textual Amendments

F3795 Words in Sch. 12 para. 10(1) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **114(a)**; 2020 c. 1, Sch. 5 para. 1(1)

F3796 Sch. 12 para. 10(2) omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **114(b)**; 2020 c. 1, Sch. 5 para. 1(1)

F3797 Sch. 12 para. 10(3) omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **114(b)**; 2020 c. 1, Sch. 5 para. 1(1)

F3798 Sch. 12 para. 10(4) substituted (1.1.2016) by The Solvency 2 Regulations 2015 (S.I. 2015/575), reg. 1(2), **Sch. 1 para. 18(7)(b)**

F3799 Words in Sch. 12 para. 10(4) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **114(c)**; 2020 c. 1, Sch. 5 para. 1(1)

F3800 Words in Sch. 12 para. 10(5) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 6 para. 19(3)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F3801 Words in Sch. 12 para. 10(6) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 6 para. 19(4)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

F3802SCHEDULE 13

. . . . . .

Textual Amendments

F3802 Sch. 13 omitted (6.4.2010) by virtue of The Transfer of Tribunal Functions Order 2010 (S.I. 2010/22), art. 1(2)(e), 5(1), **Sch. 2 para. 49**

F3812SCHEDULE 14

Section 162.

. . . . . .

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Textual Amendments

F3812 Sch. 14 omitted (1.4.2013) by virtue of Financial Services Act 2012 (c. 21), **ss. 24(4)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

SCHEDULE 15 Sections 165(11) and 171(4).

INFORMATION AND INVESTIGATIONS: CONNECTED PERSONS

Modifications etc. (not altering text)

C1699 Sch. 15 applied (8.6.2023 for specified purposes, 7.10.2023 in so far as not already in force) by The Financial Services and Markets Act 2000 (Financial Promotion) (Amendment) Order 2023 (S.I. 2023/612), art. 1(2), **Sch. para. 1(t)** (with art. 11)

PART I

RULES FOR SPECIFIC BODIES

Modifications etc. (not altering text)

C1700 Sch. 15 Pt. I (paras. 1-7) modified (1.12.2001) by S.I. 2001/2657, **arts. 1(1)**, 15(2) (which was revoked (8.10.2001) by S.I. 2001/3083, **arts. 1(2)**, 23); S.I. 2001/3538, **art. 2(1)**
Sch. 15 Pt. I (paras. 1-7) modified (1.12.2001) by S.I. 2001/3083, **arts. 1(2)**, 15(2); S.I. 2001/3538, **art. 2(1)**
Sch. 15 Pt. I (paras. 1-7) amended (*temp.* from 11.8.2001 to 1.12.2001) by S.I. 2001/2659, **arts. 1(2)**, 2(2); S.I. 2001/3538, **art. 2(1)**

C1701 Sch. 15 Pt. I modified (8.4.2002) by The Financial Services and Markets Act 2000 (Permission and Applications) (Credit Unions etc.) Order 2002 (S.I. 2002/704), **art. 8(2)**

C1702 Sch. 15 Pt. 1 modified (31.12.2011) by The Financial Services and Markets Act 2000 (Permissions, Transitional Provisions and Consequential Amendments) (Northern Ireland Credit Unions) Order 2011 (S.I. 2011/2832), **art. 9(2)**

C1703 Sch. 15 Pt. I modified (31.12.2013) by The Financial Services and Markets Act 2000 (Consumer Credit) (Transitional Provisions) Order 2013 (S.I. 2013/3128), arts. 1(1), **4(4)**

Corporate bodies

1 If the authorised person ("BC") is a body corporate, a person who is or has been—

(a) an officer or manager of BC or of a parent undertaking of BC;

(b) an employee of BC;

(c) an agent of BC or of a parent undertaking of BC.

Partnerships

2 If the authorised person ("PP") is a partnership, a person who is or has been a member, manager, employee or agent of PP.

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Unincorporated associations

3 If the authorised person ("UA") is an unincorporated association of persons which is neither a partnership nor an unincorporated friendly society, a person who is or has been an officer, manager, employee or agent of UA.

Friendly societies

4 (1) If the authorised person ("FS") is a friendly society, a person who is or has been an officer, manager or employee of FS.

(2) In relation to FS, "officer" and "manager" have the same meaning as in section 119(1) of the [M69]Friendly Societies Act 1992.

Marginal Citations
M69 1992 c. 40.

Building societies

5 (1) If the authorised person ("BS") is a building society, a person who is or has been an officer or employee of BS.

(2) In relation to BS, "officer" has the same meaning as it has in section 119(1) of the [M70]Building Societies Act 1986.

Marginal Citations
M70 1986 c. 53.

Individuals

6 If the authorised person ("IP") is an individual, a person who is or has been an employee or agent of IP.

Application to sections 171 and 172

7 For the purposes of sections 171 and 172, if the person under investigation is not an authorised person the references in this Part of this Schedule to an authorised person are to be taken to be references to the person under investigation.

PART II

ADDITIONAL RULES

8 A person who is, or at the relevant time was, the partner, manager, employee, agent, appointed representative, banker, auditor, actuary or solicitor of—

(a) the person under investigation ("A");
(b) a parent undertaking of A;
(c) a subsidiary undertaking of A;
(d) a subsidiary undertaking of a parent undertaking of A; or

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(e) a parent undertaking of a subsidiary undertaking of A.

F3813 SCHEDULE 16

Section 203(8).

. . . . . .

Textual Amendments

F3813 Sch. 16 omitted (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by virtue of The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No.2) Order 2013 (S.I. 2013/1881), arts. 1(2)(6), **10(20)** (with art. 11(4))

SCHEDULE 17

Section 225(4).

THE OMBUDSMAN SCHEME

Modifications etc. (not altering text)

C1704 Sch. 17 applied (1.5.2009 for certain purposes and 1.11.2009 otherwise) by The Payment Services Regulations 2009 (S.I. 2009/209), regs. 1(2), **125** (with reg. 3)

C1705 Sch. 17 applied (30.4.2011) by The Electronic Money Regulations 2011 (S.I. 2011/99), **reg. 76(2)** (with reg. 3)

PART I

GENERAL

Interpretation

1 In this Schedule—

F3814 ...

[F3815“ADR entity” means **[**F3816a person whose name appears on a list maintained in accordance with regulation 10 of the Alternative Dispute Resolution for Consumer Disputes (Competent Authorities and Information) Regulations 2015**]**;**]**

“ombudsman” means a person who is a member of the panel; and

“the panel” means the panel established under paragraph 4.

Textual Amendments

F3814 Words in Sch. 17 para. 1 omitted (31.12.2020) by virtue of The Deposit Guarantee Scheme and Miscellaneous Provisions (Amendment) (EU Exit) Regulations 2018 (S.I. 2018/1285), regs. 1(3), **3(2)(a)**; 2020 c. 1, Sch. 5 para. 1(1)

Status: *This version of this Act contains provisions that are prospective.*
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F3815 Words in Sch. 17 para. 1 inserted (7.4.2015) by The Alternative Dispute Resolution for Consumer Disputes (Competent Authorities and Information) Regulations 2015 (S.I. 2015/542), reg. 1(2), **Sch. 7 para. 1(3)(a)** (with reg. 7)

F3816 Words in Sch. 17 para. 1 substituted (31.12.2020) by The Deposit Guarantee Scheme and Miscellaneous Provisions (Amendment) (EU Exit) Regulations 2018 (S.I. 2018/1285), regs. 1(3), **3(2)(b)**; 2020 c. 1, Sch. 5 para. 1(1)

PART II

THE SCHEME OPERATOR

[F3817 Duty of FCA

Textual Amendments

F3817 Sch. 17 para. 2 and cross-heading substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 11 para. 14** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

2**[**F3818(1)**]** The FCA must take such steps as are necessary to ensure that the body corporate established by the Financial Services Authority under this Schedule as originally enacted is, at all times, capable of exercising the functions conferred on the scheme operator by or under this Act.

[F3819(2) The FCA must exercise any function falling within sub-paragraph (3) in a way which is consistent with enabling the scheme operator, at all times, to qualify as an ADR entity and to meet the **[**F3820requirements in Schedule 3 to the Alternative Dispute Resolution for Consumer Disputes (Competent Authorities and Information) Regulations 2015**]**.

(3) The following functions of the FCA fall within this sub-paragraph—

(a) making rules for the purposes of section 226;

(b) approving rules made for the purposes of section 227;

(c) specifying an amount under section 229(4);

(d) approving rules made under section 230;

(e) taking steps under sub-paragraph (1);

(f) appointing or removing members of the board under paragraph 3(2);

(g) taking steps under paragraph 3A(1);

(h) making rules under paragraph 7(3);

(i) making rules under paragraph 13;

(j) consenting to scheme rules under paragraph 14(7), other than rules relating to fees;

(k) approving the fixing, variation, addition or removal of standard terms under paragraph 18, other than terms relating to the making of payments to the scheme operator; and

(l) approving arrangements under paragraph 19(3).**]]**

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Textual Amendments

F3818 Sch. 17 para. 2(1): Sch. 17 para. 2 renumbered as Sch. 17 para. 2(1) (7.4.2015) by The Alternative Dispute Resolution for Consumer Disputes (Competent Authorities and Information) Regulations 2015 (S.I. 2015/542), reg. 1(2), **Sch. 7 para. 1(3)(b)(i)** (with reg. 7)

F3819 Sch. 17 para. 2(2)(3) inserted (7.4.2015) by The Alternative Dispute Resolution for Consumer Disputes (Competent Authorities and Information) Regulations 2015 (S.I. 2015/542), reg. 1(2), **Sch. 7 para. 1(3)(b)(ii)** (with reg. 7)

F3820 Words in Sch. 17 para. 2(2) substituted (31.12.2020) by The Deposit Guarantee Scheme and Miscellaneous Provisions (Amendment) (EU Exit) Regulations 2018 (S.I. 2018/1285), regs. 1(3), **3(3)**; 2020 c. 1, Sch. 5 para. 1(1)

Constitution

3 (1) The constitution of the scheme operator must provide for it to have—

(a) a chairman; and

(b) a board (which must include the chairman) whose members are the scheme operator's directors.

(2) The chairman and other members of the board must be persons appointed, and liable to removal from office, by the **[**F3821FCA**]** (acting, in the case of the chairman, with the approval of the Treasury).

(3) But the terms of their appointment (and in particular those governing removal from office) must be such as to secure their independence from the **[**F3821FCA**]** in the operation of the scheme.

(4) The function of making voluntary jurisdiction rules under section 227 F3822... and the functions conferred by paragraphs 4, 5, 7, 9 **[**F3823, 9A**]** or 14 may be exercised only by the board.

(5) The validity of any act of the scheme operator is unaffected by—

(a) a vacancy in the office of chairman; or

(b) a defect in the appointment of a person as chairman or as a member of the board.

Textual Amendments

F3821 Word in Sch. 17 para. 3 substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 11 para. 15(a)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F3822 Words in Sch. 17 para. 3(4) omitted (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by virtue of The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No. 2) Order 2013 (S.I. 2013/1881), arts. 1(2)(6), **10(21)(a)**

F3823 Word in Sch. 17 para. 3(4) inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 11 para. 15(b)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

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I[F3824] Relationship with FCA

Textual Amendments

F3824 Sch. 17 para. 3A and crossheading inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 11 para. 16** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

3A (1) The scheme operator and the FCA must each take such steps as it considers appropriate to co-operate with the other in the exercise of their functions under this Part of this Act.

(2) The scheme operator and the FCA must prepare and maintain a memorandum describing how they intend to comply with sub-paragraph (1).

(3) The scheme operator must ensure that the memorandum as currently in force is published in the way appearing to the scheme operator to be best calculated to bring it to the attention of the public.**]**

The panel of ombudsmen

4 (1) The scheme operator must appoint and maintain a panel of persons, appearing to it to have appropriate qualifications and experience, to act as ombudsmen for the purposes of the scheme.

(2) A person's appointment to the panel is to be on such terms (including terms as to the duration and termination of his appointment and as to remuneration) as the scheme operator considers—

(a) consistent with the independence of the person appointed; and

(b) otherwise appropriate.

The Chief Ombudsman

5 (1) The scheme operator must appoint one member of the panel to act as Chief Ombudsman.

(2) The Chief Ombudsman is to be appointed on such terms (including terms as to the duration and termination of his appointment) as the scheme operator considers appropriate.

Status

6 (1) The scheme operator is not to be regarded as exercising functions on behalf of the Crown.

(2) The scheme operator's [F3825]... officers and staff are not to be regarded as Crown servants.

(3) Appointment as Chief Ombudsman or to the panel or as a deputy ombudsman does not confer the status of Crown servant.

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Textual Amendments

F3825 Words in Sch. 17 para. 6(2) omitted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by virtue of Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 11 para. 17** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

Annual reports

7 (1) At least once a year—

(a) the scheme operator must make a report to the **[**F3826FCA**]** on the discharge of its functions; and

(b) the Chief Ombudsman must make a report to the **[**F3826FCA**]** on the discharge of his functions.

(2) Each report must distinguish between functions in relation to the scheme's compulsory jurisdiction F3827... and functions in relation to its voluntary jurisdiction.

(3) Each report must also comply with any requirements specified in rules made by the **[**F3826FCA**]**.

(4) The scheme operator must publish each report in the way it considers appropriate.

[F3828(5) The Treasury may—

(a) require the scheme operator to comply with any provisions of the Companies Act 2006 about accounts and their audit which would not otherwise apply to it, or

(b) direct that any provision of that Act about accounts and their audit is to apply to the scheme operator with such modifications as are specified in the direction, whether or not the provision would otherwise apply to the scheme manager.

(6) Compliance with any requirement under sub-paragraph (5)(a) or (b) is enforceable by injunction or, in Scotland, an order for specific performance under section 45 of the Court of Session Act 1988.

(7) Proceedings under sub-paragraph (6) may be brought only by the Treasury.**]**

Textual Amendments

F3826 Word in Sch. 17 para. 7 substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 11 para. 18(a)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F3827 Words in Sch. 17 para. 7(2) omitted (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by virtue of The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No. 2) Order 2013 (S.I. 2013/1881), arts. 1(2)(6), **10(21)(b)**

F3828 Sch. 17 para. 7(5)-(7) inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 11 para. 18(b)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

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[F3829 Audit of accounts

Textual Amendments

F3829 Sch. 17 para. 7A and crossheading inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 11 para. 19** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

7A (1) The scheme operator must send a copy of its annual accounts to the Comptroller and Auditor General as soon as is reasonably practicable.

(2) The Comptroller and Auditor General must—

(a) examine, certify and report on accounts received under this paragraph, and

(b) send a copy of the certified accounts and the report to the Treasury.

(3) The Treasury must lay the copy of the certified accounts and the report before Parliament.

(4) The scheme operator must send a copy of the certified accounts and the report to the FCA.

(5) Except as provided by paragraph 7(5), the scheme operator is exempt from the requirements of Part 16 of the Companies Act 2006 (audit), and its balance sheet must contain a statement to that effect.

(6) In this paragraph "annual accounts" has the meaning given by section 471 of the Companies Act 2006.**]**

[F3830 Information, advice and guidance]

Textual Amendments

F3830 Sch. 17 para. 8 crossheading substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 11 para. 20** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F3830 8 The scheme operator may publish **[**F3831 such information, guidance or advice**]** as it considers appropriate and may charge for it or distribute it free of charge.

Textual Amendments

F3831 Words in Sch. 17 para. 8 substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 11 para. 21** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

Budget

9 (1) The scheme operator must, before the start of each of its financial years, adopt an annual budget which has been approved by the **[**F3832 FCA**]**.

(2) The scheme operator may, with the approval of the **[**F3832 FCA**]**, vary the budget for a financial year at any time after its adoption.

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(3) The annual budget must include an indication of—

(a) the distribution of resources deployed in the operation of the scheme, and

(b) the amounts of income of the scheme operator arising or expected to arise from the operation of the scheme,

distinguishing between the scheme's compulsory [F3833]... and voluntary jurisdiction.

Textual Amendments

F3832 Word in Sch. 17 para. 9 substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 11 para. 22** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F3833 Words in Sch. 17 para. 9(3) omitted (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by virtue of The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No. 2) Order 2013 (S.I. 2013/1881), arts. 1(2)(6), **10(21)(c)**

Modifications etc. (not altering text)

C1706 Sch. 17 para. 9(3) excluded (18.6.2001) by S.I. 2001/1821, **arts. 1(1)**, 4(1)

[F3834 Annual plan

Textual Amendments

F3834 Sch. 17 para. 9A and crossheading inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 11 para. 23** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

9A (1) The scheme operator must in respect of each of its financial years prepare an annual plan.

(2) The plan must be prepared before the start of the financial year.

(3) An annual plan in respect of a financial year must make provision about the use of the resources of the scheme operator.

(4) The plan may include material relating to periods longer than the financial year in question.

(5) Before preparing an annual plan, the scheme operator must consult such persons (if any) as the scheme operator considers appropriate.

(6) The scheme operator must publish each annual plan in the way it considers appropriate.*]*

Exemption from liability in damages

10 (1) No person is to be liable in damages for anything done or omitted in the discharge, or purported discharge, of any functions under this Act in relation to the compulsory jurisdiction [F3835]....

(2) Sub-paragraph (1) does not apply—

(a) if the act or omission is shown to have been in bad faith; or

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(b) so as to prevent an award of damages made in respect of an act or omission on the ground that the act or omission was unlawful as a result of section 6(1) of the [M71]Human Rights Act 1998.

Textual Amendments

F3835 Words in Sch. 17 para. 10(1) omitted (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by virtue of The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No. 2) Order 2013 (S.I. 2013/1881), arts. 1(2)(6), **10(21)(d)**

Modifications etc. (not altering text)

C1707 Sch. 17 para. 10(1) amended (19.7.2001 for specified purposes otherwise 1.12.2001) by S.I. 2001/2326, **arts. 1(1)**, 13; S.I. 2001/3538, **art. 2(1)**

C1708 Sch. 17 para. 10(1) extended (31.10.2004 for certain purposes and 14.1.2005 otherwise) by The Financial Services and Markets Act 2000 (Transitional Provisions) (Complaints Relating to General Insurance and Mortgages) Order 2004 (S.I. 2004/454), arts. 1(2), **7**

C1709 Sch. 17 para. 10(1) applied (with modifications) (E.W.S.) (29.11.2018 for specified purposes, 1.4.2019 in so far as not already in force) by The Financial Services and Markets Act 2000 (Claims Management Activity) Order 2018 (S.I. 2018/1253), arts. 1(2)(3), **76**

C1710 Sch. 17 para. 10(1) applied (with modifications) (28.1.2021 for specified purposes, 30.7.2022 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2021 (S.I. 2021/90), arts. 1(2)(3), **11**

Marginal Citations

M71 1998 c. 42.

Privilege

11 For the purposes of the law relating to defamation, proceedings in relation to a complaint which is subject to the compulsory jurisdiction [F3836]... are to be treated as if they were proceedings before a court.

Textual Amendments

F3836 Words in Sch. 17 para. 11 omitted (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by virtue of The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No.2) Order 2013 (S.I. 2013/1881), arts. 1(2)(6), **10(21)(e)**

Modifications etc. (not altering text)

C1711 Sch. 17 para. 11 amended (19.7.2001 for specified purposes otherwise 1.12.2001) by S.I. 2001/2326, **arts. 1(1)**, 14; S.I. 2001/3538, **art. 2(1)**

C1712 Sch. 17 para. 11 extended (31.10.2004 for certain purposes and 14.1.2005 otherwise) by The Financial Services and Markets Act 2000 (Transitional Provisions) (Complaints Relating to General Insurance and Mortgages) Order 2004 (S.I. 2004/454), arts. 1(2), **8**

C1713 Sch. 17 para. 11 applied (with modifications) (E.W.S.) (29.11.2018 for specified purposes, 1.4.2019 in so far as not already in force) by The Financial Services and Markets Act 2000 (Claims Management Activity) Order 2018 (S.I. 2018/1253), arts. 1(2)(3), **77**

C1714 Sch. 17 para. 11 modified (28.1.2021 for specified purposes, 30.7.2022 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2021 (S.I. 2021/90), arts. 1(2)(3), **13**

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

PART III

THE COMPULSORY JURISDICTION

Introduction

12 This Part of this Schedule applies only in relation to the compulsory jurisdiction.

[F3837][F3838]FCA's] ... rules

Textual Amendments

F3837 Word in Sch. 17 para. 13 heading omitted (7.4.2015) by virtue of The Alternative Dispute Resolution for Consumer Disputes (Competent Authorities and Information) Regulations 2015 (S.I. 2015/542), reg. 1(2), **Sch. 7 para. 1(3)(c)** (with reg. 7)

F3838 Word in Sch. 17 para. 13 cross-heading substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 11 para. 24(b)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

13 (1) The [F3839FCA] must make rules providing that a complaint is not to be entertained unless [F3840—

(a)] the complainant has referred it under the ombudsman scheme before the applicable time limit (determined in accordance with the rules) has expired [F3841, or

(b) in the case of a complaint other than a relevant complaint within the meaning of section 404B, the respondent agrees that the complaint should be entertained despite the complainant having referred it under the ombudsman scheme after the applicable time limit has expired.]

(2) The rules may provide that an ombudsman may extend that time limit in specified circumstances.

(3) The [F3839FCA] may make rules providing that a complaint is not to be entertained (except in specified circumstances) if the complainant has not previously communicated its substance to the respondent and given him a reasonable opportunity to deal with it.

(4) The [F3839FCA] may make rules requiring an authorised person [F3842, [F3843an electronic money issuer within the meaning of the Electronic Money Regulations 2011] or a payment service provider within the meaning of the Payment Services Regulations [F38442017],] who may become subject to the compulsory jurisdiction as a respondent to establish such procedures as the [F3839FCA] considers appropriate for the resolution of complaints which—

(a) may be referred to the scheme; and

(b) arise out of activity to which the [F3845FCA's] powers under [F3846Part 9A] do not apply.

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Textual Amendments

F3839 Word in Sch. 17 para. 13 substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 11 para. 24(a)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F3840 Words in Sch. 17 para. 13(1) inserted (7.4.2015) by The Alternative Dispute Resolution for Consumer Disputes (Competent Authorities and Information) Regulations 2015 (S.I. 2015/542), reg. 1(2), **Sch. 7 para. 1(3)(d)(i)** (with reg. 7)

F3841 Sch. 17 para. 13(1)(b) and word inserted (7.4.2015) by The Alternative Dispute Resolution for Consumer Disputes (Competent Authorities and Information) Regulations 2015 (S.I. 2015/542), reg. 1(2), **Sch. 7 para. 1(3)(d)(ii)** (with reg. 7)

F3842 Words in Sch. 17 para. 13(4) inserted (2.3.2009 for certain purposes, 1.5.2009 for certain further purposes and 1.11.2009 otherwise) by The Payment Services Regulations 2009 (S.I. 2009/209), regs. 1(2), 126, **Sch. 6 para. 1(2)** (with reg. 3)

F3843 Words in Sch. 17 para. 13(4) inserted (9.2.2011 for certain purposes and 30.4.2011 otherwise) by The Electronic Money Regulations 2011 (S.I. 2011/99), regs. 1(2)(a)(xv)(b), 79, **Sch. 4 para. 2(8)** (with reg. 3)

F3844 Word in Sch. 17 para. 13(4) substituted (13.1.2018) by The Payment Services Regulations 2017 (S.I. 2017/752), reg. 1(6), **Sch. 8 para. 2(10)** (with reg. 3)

F3845 Word in Sch. 17 para. 13 substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 11 para. 24(b)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F3846 Words in Sch. 17 para. 13(4)(b) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 11 para. 24(c)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

Modifications etc. (not altering text)

C1715 Sch. 17 para. 13 amended (19.7.2001 for specified purposes otherwise 1.12.2001) by S.I. 2001/2326, **arts. 1(1)**, 4; S.I. 2001/3538, **art. 2(1)**

C1716 Sch. 17 para. 13 modified (31.10.2004 for certain purposes and 14.1.2005 otherwise) by The Financial Services and Markets Act 2000 (Transitional Provisions) (Complaints Relating to General Insurance and Mortgages) Order 2004 (S.I. 2004/454), arts. 1(2), **3**

C1717 Sch. 17 para. 13 modified (28.1.2021 for specified purposes, 30.7.2022 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2021 (S.I. 2021/90), arts. 1(2)(3), **8**

The scheme operator's rules

14 (1) The scheme operator must make rules, to be known as "scheme rules", which are to set out the procedure for reference of complaints and for their investigation, consideration and determination by an ombudsman.

(2) Scheme rules may, among other things—

(a) specify matters which are to be taken into account in determining whether an act or omission was fair and reasonable;

(b) provide that a complaint may, in specified circumstances, be dismissed without consideration of its merits;

(c) provide for the reference of a complaint, in specified circumstances and with the consent of the complainant, to another body with a view to its being determined by that body instead of by an ombudsman;

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(d) make provision as to the evidence which may be required or admitted, the extent to which it should be oral or written and the consequences of a person's failure to produce any information or document which he has been required (under section 231 or otherwise) to produce;

(e) allow an ombudsman to fix time limits for any aspect of the proceedings and to extend a time limit;

(f) provide for certain things in relation to the reference, investigation or consideration (but not determination) of a complaint to be done by a member of the scheme operator's staff instead of by an ombudsman;

[F3847(fa) allow the correction of any clerical mistake in the written statement of a determination made by an ombudsman;

(fb) provide that any irregularity arising from a failure to comply with any provisions of the scheme rules does not of itself render a determination void;**]**

(g) make different provision in relation to different kinds of complaint.

(3) The circumstances specified under sub-paragraph (2)(b) may include the following—

(a) the ombudsman considers the complaint frivolous or vexatious;

(b) legal proceedings have been brought concerning the subject-matter of the complaint and the ombudsman considers that the complaint is best dealt with in those proceedings; or

(c) the ombudsman is satisfied that there are other compelling reasons why it is inappropriate for the complaint to be dealt with under the ombudsman scheme.

[F3848(3A) The scheme operator must exercise the function of making scheme rules in a way which is consistent with enabling the scheme operator to qualify as an ADR entity and to meet the **[**F3849requirements in Schedule 3 to the Alternative Dispute Resolution for Consumer Disputes (Competent Authorities and Information) Regulations 2015**].]**

(4) If the scheme operator proposes to make any scheme rules it must publish a draft of the proposed rules in the way appearing to it to be best calculated to bring them to the attention of persons appearing to it to be likely to be affected.

(5) The draft must be accompanied by a statement that representations about the proposals may be made to the scheme operator within a time specified in the statement.

(6) Before making the proposed scheme rules, the scheme operator must have regard to any representations made to it under sub-paragraph (5).

(7) The consent of the **[**F3850FCA**]** is required before any scheme rules may be made.

Textual Amendments

F3847 Sch. 17 para. 14(2)(fa)(fb) inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 11 para. 25(a)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

F3848 Sch. 17 para. 14(3A) inserted (7.4.2015) by The Alternative Dispute Resolution for Consumer Disputes (Competent Authorities and Information) Regulations 2015 (S.I. 2015/542), reg. 1(2), **Sch. 7 para. 1(3)(e)** (with reg. 7)

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

F3849 Words in Sch. 17 para. 14(3A) substituted (31.12.2020) by The Deposit Guarantee Scheme and Miscellaneous Provisions (Amendment) (EU Exit) Regulations 2018 (S.I. 2018/1285), regs. 1(3), **3(4)**; 2020 c. 1, Sch. 5 para. 1(1)

F3850 Word in Sch. 17 para. 14(7) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 11 para. 25(b)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

Modifications etc. (not altering text)

C1718 Sch. 17 para. 14 amended (19.7.2001 for specified purposes otherwise 1.12.2001) by S.I. 2001/2326, **arts. 1(1)**, 5; S.I. 2001/3538, **art. 2(1)**

C1719 Sch. 17 para. 14 modified (31.10.2004 for certain purposes and 14.1.2005 otherwise) by The Financial Services and Markets Act 2000 (Transitional Provisions) (Complaints Relating to General Insurance and Mortgages) Order 2004 (S.I. 2004/454), arts. 1(2), **4**

C1720 Sch. 17 para. 14 modified by The Payment Services Regulations 2009 (S.I. 2009/209), Sch. 7 para. 3(2) (as inserted (1.10.2009 for certain purposes and 1.11.2009 otherwise) by S.I. 2009/2475, **reg. 13**)

C1721 Sch. 17 para. 14 modified (13.1.2018) by The Payment Services Regulations 2017 (S.I. 2017/752), reg. 1(6), **Sch. 7 para. 3(2)** (with reg. 3)

C1722 Sch. 17 para. 14 modified by S.I. 2011/99, Sch. 5 para. 3(2) (as inserted (13.1.2018) by The Payment Systems and Services and Electronic Money (Miscellaneous Amendments) Regulations 2017 (S.I. 2017/1173), regs. 1(4), **5(d)**)

C1723 Sch. 17 para. 14 modified (28.1.2021 for specified purposes, 30.7.2022 in so far as not already in force) by The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2021 (S.I. 2021/90), arts. 1(2)(3), **8**

C1724 Sch. 17 para. 14(4)(5) amended (19.7.2001) by S.I. 2001/2326, **arts. 1(1)(a)**, 16(a); S.I. 2001/3538, **art. 2(1)**

C1725 Sch. 17 para. 14(4)-6) excluded by S.I. 2004/454, art. 12(2) (as inserted (15.7.2004) by The Financial Services and Markets Act 2000 (Transitional Provisions) (Complaints Relating to General Insurance and Mortgages) (Amendment) Order 2004 (S.I. 2004/1609), **art. 6**)

Fees

15 (1) Scheme rules may require a respondent **[**F3851or other persons of a specified description**]** to pay to the scheme operator such fees as may be specified in the rules.

(2) The rules may, among other things—

(a) provide for the scheme operator to reduce or waive a fee in a particular case;

(b) set different fees for different stages of the proceedings on a complaint;

(c) provide for fees to be refunded in specified circumstances;

(d) make different provision for different kinds of complaint.

[F3852(3) The reference in sub-paragraph (1) to persons of a specified description is a reference to such descriptions of persons as may be specified in regulations made by the Treasury.

(4) The power conferred by sub-paragraph (3) to specify descriptions of persons may not be exercised so as to provide for eligible complainants to fall within a specified description of persons.

(5) The reference in sub-paragraph (4) to "eligible complainants" is a reference to complainants who are eligible in relation to the compulsory or voluntary jurisdiction of the ombudsman scheme (see section 226(6) and 227(7)).

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

(6) Before making regulations under sub-paragraph (3) the Treasury must consult the scheme operator.**]**

Textual Amendments

F3851 Words in Sch. 17 para. 15(1) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 63(4)**, 86(3); S.I. 2023/779, reg. 4(pp)

F3852 Sch. 17 para. 15(3)-(6) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 63(5)**, 86(3); S.I. 2023/779, reg. 4(pp)

Modifications etc. (not altering text)

C1726 Sch. 17 para. 15 amended (19.7.2001 for specified purposes otherwise 1.12.2001) by S.I. 2001/2326, **arts. 1(1)**, 12(2)(3); S.I. 2001/3538, **art. 2(1)**

C1727 Sch. 17 para. 15 extended (31.10.2004 for certain purposes and 14.1.2005 otherwise) by The Financial Services and Markets Act 2000 (Transitional Provisions) (Complaints Relating to General Insurance and Mortgages) Order 2004 (S.I. 2004/454), arts. 1(2), **6(2)(3)**

Enforcement of money awards

16 A money award, including interest, which has been registered in accordance with scheme rules may—

(a) if **[**F3853the county court**]** so orders in England and Wales, be recovered **[**F3854under section 85 of the County Courts Act 1984**]** (or otherwise) as if it were payable under an order of that court;

(b) be enforced in Northern Ireland as a money judgment under the M72Judgments Enforcement (Northern Ireland) Order 1981;

(c) be enforced in Scotland by the sheriff, as if it were a judgment or order of the sheriff and whether or not the sheriff could himself have granted such judgment or order.

Textual Amendments

F3853 Words in Sch. 17 para. 16(a) substituted (22.4.2014) by Crime and Courts Act 2013 (c. 22), s. 61(3), **Sch. 9 para. 52**; S.I. 2014/954, art. 2(c) (with art. 3) (with transitional provisions and savings in S.I. 2014/956, arts. 3-11)

F3854 Words in Sch. 17 para. 16(a) substituted (6.4.2014) by Tribunals, Courts and Enforcement Act 2007 (c. 15), s. 148, **Sch. 13 para. 134** (with s. 89) (as amended by Crime and Courts Act 2013 (c. 22), **ss. 25(9)(e)**, 61(3); S.I. 2014/830, art. 2); S.I. 2014/768, art. 2(1)(b)

Modifications etc. (not altering text)

C1728 Sch. 17 para. 16 applied (19.7.2001 for specified purposes otherwise 1.12.2001) by S.I. 2001/2326, **arts. 1(1)**, 16(4)(6); S.I. 2001/3538, **art. 2(1)**

C1729 Sch. 17 para. 16 applied (E.W.S.) (29.11.2018 for specified purposes, 1.4.2019 in so far as not already in force) by The Financial Services and Markets Act 2000 (Claims Management Activity) Order 2018 (S.I. 2018/1253), arts. 1(2)(3), **72(5)(b)**

Marginal Citations

M72 S.I. 1981/226 (N.I.6).

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

[F3855]PART 3A

THE CONSUMER CREDIT JURISDICTION

Textual Amendments

F3855 Sch. 17 Pt. 3A omitted (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by virtue of The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No.2) Order 2013 (S.I. 2013/1881), arts. 1(2)(6), **10(21)(f)**

Introduction

16A . . . . . .

Procedure for complaints etc.

16B . . . . . .

Fees

16C . . . . . .

Enforcement of money awards

16D . . . . . .

Procedure for consumer credit rules

16E . . . . . .

Verification of consumer credit rules

16F . . . . . .

Consultation

16G . . . . . .

PART IV

THE VOLUNTARY JURISDICTION

Introduction

17 This Part of this Schedule applies only in relation to the voluntary jurisdiction.

Terms of reference to the scheme

18 (1) Complaints are to be dealt with and determined under the voluntary jurisdiction on standard terms fixed by the scheme operator with the approval of the **[**[F3856]FCA**]**.

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

(2) Different standard terms may be fixed with respect to different matters or in relation to different cases.

(3) The standard terms may, in particular—

(a) require the making of payments to the scheme operator by participants in the scheme of such amounts, and at such times, as may be determined by the scheme operator;

(b) make provision as to the award of costs on the determination of a complaint.

(4) The scheme operator may not vary any of the standard terms or add or remove terms without the approval of the **[**F3856FCA**]**.

(5) The standard terms may include provision to the effect that (unless acting in bad faith) none of the following is to be liable in damages for anything done or omitted in the discharge or purported discharge of functions in connection with the voluntary jurisdiction—

(a) the scheme operator;

(b) any member of its governing body;

(c) any member of its staff;

(d) any person acting as an ombudsman for the purposes of the scheme.

Textual Amendments

F3856 Word in Sch. 17 para. 18 substituted (24.1.2013 for specified purposes, 19.3.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 11 para. 28** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.; S.I. 2013/651, art. 2(b)

Delegation by and to other schemes

19 (1) The scheme operator may make arrangements with a relevant body—

(a) for the exercise by that body of any part of the voluntary jurisdiction of the ombudsman scheme on behalf of the scheme; or

(b) for the exercise by the scheme of any function of that body as if it were part of the voluntary jurisdiction of the scheme.

(2) A "relevant body" is one which the scheme operator is satisfied—

(a) is responsible for the operation of a broadly comparable scheme (whether or not established by statute) for the resolution of disputes; and

(b) in the case of arrangements under sub-paragraph (1)(a), will exercise the jurisdiction in question in a way compatible with the requirements imposed by or under this Act in relation to complaints of the kind concerned.

(3) Such arrangements require the approval of the **[**F3857FCA**]**.

Textual Amendments

F3857 Word in Sch. 17 para. 19(3) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 11 para. 29** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Voluntary jurisdiction rules: procedure

20 (1) If the scheme operator makes voluntary jurisdiction rules, it must give a copy to the **[**[F3858]FCA**]** without delay.

(2) If the scheme operator revokes any such rules, it must give written notice to the **[**[F3858]FCA**]** without delay.

(3) The power to make voluntary jurisdiction rules is exercisable in writing.

(4) Immediately after making voluntary jurisdiction rules, the scheme operator must arrange for them to be printed and made available to the public.

(5) The scheme operator may charge a reasonable fee for providing a person with a copy of any voluntary jurisdiction rules.

Textual Amendments

F3858 Word in Sch. 17 para. 20 substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 11 para. 30** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

Verification of the rules

21 (1) The production of a printed copy of voluntary jurisdiction rules purporting to be made by the scheme operator—

(a) on which is endorsed a certificate signed by a member of the scheme operator's staff authorised by the scheme operator for that purpose, and

(b) which contains the required statements,

is evidence (or in Scotland sufficient evidence) of the facts stated in the certificate.

(2) The required statements are—

(a) that the rules were made by the scheme operator;

(b) that the copy is a true copy of the rules; and

(c) that on a specified date the rules were made available to the public in accordance with paragraph 20(4).

(3) A certificate purporting to be signed as mentioned in sub-paragraph (1) is to be taken to have been duly signed unless the contrary is shown.

Consultation

22 (1) If the scheme operator proposes to make voluntary jurisdiction rules, it must publish a draft of the proposed rules in the way appearing to it to be best calculated to bring them to the attention of the public.

(2) The draft must be accompanied by—

(a) an explanation of the proposed rules; and

(b) a statement that representations about the proposals may be made to the scheme operator within a specified time.

(3) Before making any voluntary jurisdiction rules, the scheme operator must have regard to any representations made to it in accordance with sub-paragraph (2)(b).

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

(4) If voluntary jurisdiction rules made by the scheme operator differ from the draft published under sub-paragraph (1) in a way which the scheme operator considers significant, the scheme operator must publish a statement of the difference.

Modifications etc. (not altering text)

C1730 Sch. 17 para. 22(1)(2) amended (19.7.2001) by S.I. 2001/2326, **arts. 1(1)(a)**, 16(b); S.I. 2001/3538, **art. 2(1)**

[F3859 SCHEDULE 17A

Section 285A

FURTHER PROVISION IN RELATION TO EXERCISE OF PART 18 FUNCTIONS [F3860, OR OTHER FMI FUNCTIONS,] BY BANK OF ENGLAND

Textual Amendments

F3859 Sch. 17A inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), ss. 29(2), 122(3), **Sch. 7** (with Sch. 20); S.I. 2013/113, art. 2(1)(b)(c), Sch. Pts. 2, 3; S.I. 2013/423, art. 3, Sch.

F3860 Words in Sch. 17A heading inserted (1.1.2024 at 1.00 a.m. for specified purposes, 1.8.2024 in so far as not already in force) by Financial Services and Markets Act 2023 (c. 29), **ss. 50(5)**, 86(3); S.I. 2023/1382, regs. 10(f), 11(b)

PART 1

CO-OPERATION BETWEEN APPROPRIATE REGULATORS

Memorandum of understanding between appropriate regulators and PRA

1 (1) The appropriate regulators must prepare and maintain a memorandum describing how they intend to work together in exercising their functions in relation to persons who are recognised bodies.

(2) The memorandum must in particular make provision about—

(a) the need for each party when exercising a function in relation to any person ("A") who is a recognised body, or any member of A's group, to have regard to the exercise (or possible exercise) of any function by the other party in relation to A or any member of A's group;

(b) the role of each party in cases where they are both exercising functions in relation to the same persons;

(c) the obtaining and disclosure of information;

(d) the co-ordination by the parties of the exercise of their powers to appoint competent persons under Part 11 (information gathering and investigations) to conduct investigations on their behalf.

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

(3) In this paragraph any reference to a function is to any function whether conferred by or under any provision of this Part of this Act or any other provision of this Act or otherwise.

2 (1) The **[**F3861FCA**]** and the PRA must prepare and maintain a memorandum describing how they intend to work together in exercising their functions in relation to persons who are recognised bodies and who—

(a) are PRA-authorised persons; or

(b) are members of a group of which a member is a PRA-authorised person.

(2) The memorandum must in particular make provision about—

(a) the need for each party when exercising a function in relation to any person ("A") who is a recognised body, or any member of A's group, to have regard to the exercise (or possible exercise) of any function by the other party in relation to A or any member of A's group;

(b) the role of each party in cases where they are both exercising functions in relation to the same persons;

(c) the obtaining and disclosure of information;

(d) the co-ordination by the parties of the exercise of their powers to appoint competent persons under Part 11 (information gathering and investigations) to conduct investigations on their behalf.

(3) In this paragraph any reference to a function is to any function whether conferred by or under any provision of this Part of this Act or any other provision of this Act or otherwise.

Textual Amendments

F3861 Word in Sch. 17A para. 2(1) substituted (1.3.2017) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 51(2)** (with Sch. 3); S.I. 2017/43, **reg. 2(g)**

3 The parties to a memorandum under paragraph 1 or 2 must review the memorandum at least once in each calendar year.

4 The parties to a memorandum under paragraph 1 or 2 must give the Treasury a copy of the memorandum and any revised memorandum.

5 The Treasury must lay before Parliament a copy of any document received by them under paragraph 4.

6 The parties to a memorandum under paragraph 1 or 2 must ensure that the memorandum as currently in force is published in the way appearing to them to be best calculated to bring it to the attention of the public.

[F3862 6A (1) If the Bank makes a Part 18 prohibition order relating to an individual, the Bank must—

(a) provide the FCA with information falling within section 347(2)(f) in relation to the order, and

(b) where the FCA has notified the Bank that it considers it appropriate to include in the record maintained under section 347 information of a certain description, disclose to the FCA such information of that description relating to the order or the individual as the Bank has in its possession.

(2) The duty to provide information under sub-paragraph (1)—

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(a) does not apply to information which the Bank reasonably believes is in the possession of the FCA;

(b) does not require or authorise the disclosure of information whose disclosure is prohibited by or under section 348;

(c) is without prejudice to any other power of the Bank to disclose information.**]**

Textual Amendments

F3862 Sch. 17A para. 6A inserted (29.6.2023 for specified purposes) by Financial Services and Markets Act 2023 (c. 29), s. 86(1)(e), **Sch. 10 para. 20(2)**

Notification by FCA of action in relation to recognised clearing houses

7 The FCA must notify the Bank of England of any direction given by it under section 128 to a recognised clearing house **[**F3863or a recognised CSD**]** (market abuse: suspension of investigations).

Textual Amendments

F3863 Words in Sch. 17A para. 7 inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), **regs. 1**, 2(39)(a) (with regs. 7(4), 9(1))

8 The FCA must notify the Bank of England of any requirement imposed by it under section 313A on a recognised clearing house (power to require suspension or removal of financial instruments from trading).

PART 2

APPLICATION OF PROVISIONS OF THIS ACT IN RELATION TO BANK OF ENGLAND

Introduction

9 (1) The provisions of this Act mentioned in this Part of this Schedule are to apply in relation to the Bank of England in accordance with the provision made by this Part of this Schedule.

(2) In any case where sub-paragraph (1) applies—

(a) any reference in this Act to the FCA or the PRA which is contained in, or relates to, any of those provisions (however expressed) is to be read as a reference to the Bank; and

(b) this Act has effect with any other necessary modifications.

Status: *This version of this Act contains provisions that are prospective.*
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I[F3864] Public consultations

Textual Amendments

F3864 Sch. 17A para. 9A and cross-heading inserted (1.1.2024 at 1.00 a.m. for specified purposes, 1.8.2024 in so far as not already in force) by Financial Services and Markets Act 2023 (c. 29), **ss. 50(6)**, 86(3); S.I. 2023/1382, regs. 10(f), 11(b)

9A (1) Section 1RB (requirements in connection with public consultations) applies in relation to the Bank but as if, in subsection (4), after "proposals" there were inserted "in connection with the carrying on by the Bank of its FMI functions.

(2) For this purpose, paragraph 9(2)(a) does not apply so far as relating to the following references in section 1RB—

(a) in subsection (2), the reference after "statutory panels of" to the FCA and the PRA;

(b) in subsection (5)(a), the reference to the FCA;

(c) in subsection (5)(b), the reference to the PRA.**]**

I[F3865] Requirements

Textual Amendments

F3865 Sch. 17A para. 9B and cross-heading inserted (1.1.2024 at 1.00 a.m.) by Financial Services and Markets Act 2023 (c. 29), **ss. 10**, 86(3); S.I. 2023/1382, reg. 10(b)

9B (1) The powers conferred by section 55L(3) (FCA own-initiative power to impose requirements on authorised persons) are exercisable by the Bank to impose requirements on a relevant FMI entity.

(2) In this paragraph "relevant FMI entity" means—

(a) a recognised central counterparty,

(b) a recognised CSD, or

(c) a systemic third country CCP as defined by section 300G(7).

(3) The power under sub-paragraph (1) is exercisable only if it appears to the Bank that either (or both) of the following conditions is met.

(4) The first condition is that it is desirable to exercise the power in order to advance the Financial Stability Objective.

(5) The second condition is that the relevant FMI entity—

(a) has failed, or is likely to fail, to satisfy the recognition requirements, or

(b) has failed to comply with any other obligation imposed on it by or under this Act.

(6) The power conferred by sub-paragraph (1) may not be exercised so as to restrict or prohibit discretionary payments to employees or shareholders of a recognised central counterparty (and for this purpose "discretionary payment" has the meaning given by paragraph 13(11) of Schedule 11 to the Financial Services and Markets Act 2023 and "employee" has the meaning given by paragraph 154 of that Schedule).

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(7) The powers conferred by section 55L(5) (FCA power to impose requirements on application of authorised persons with Part 4A permission) are exercisable by the Bank to impose requirements on a relevant FMI entity on the application of that entity.

(8) A power conferred by this paragraph is exercisable whether or not there is a relationship between the entity in relation to which it is exercised and the persons whose interests will be protected by its exercise.

(9) The following provisions apply in relation to requirements imposed by the Bank under this paragraph as they apply in relation to requirements imposed by the FCA under section 55L, with the modifications in sub-paragraph (10)—

(a) section 55L(6) (power to refuse application to impose etc requirements);
(b) section 55N (further provision in relation to requirements);
(c) section 55P (prohibitions and restrictions);
(d) section 55Q (exercise of power in support of overseas regulator);
(e) section 55R(1) (persons connected with applicant);
(f) section 55U(3) to (8) (applications for requirement to be imposed etc);
(g) section 55V(1) to (6) (determination of applications);
(h) section 55X(2) and (4)(f) (warning and decision notices on refusal of applications);
(i) section 55Y (exercise of own-initiative power: procedure);
(j) section 55Z3(1) and (2) (right to refer matters to the Tribunal).

(10) The modifications are—

(a) any reference to the FCA is to be read as a reference to the Bank;
(b) any references to own-initiative powers are to be read as references to the power conferred by sub-paragraph (1);
(c) any references to an authorised person are to be read as references to relevant FMI entities;
(d) in section 55L(6), the reference to the FCA's operational objectives is to be read as a reference to the Bank's Financial Stability Objective;
(e) section 55N has effect as if the reference to regulated activities in subsection (2) were a reference to activities in respect of which a recognition order is in force.**]**

Rules

10 (1) The following provisions of Part 9A of this Act are to apply in relation to rules made by the Bank under any provision made by or under this Act—

(a) section 137T (general supplementary powers);
(b) sections 138A and 138B (modification or waiver of rules), but with the omission of **[**[F3866]subsection (5) of section 138A, subsection (4) of section 138B, and, apart from in relation to rules made under section 300F, subsection (4)(b) of section 138A;**]**
[[F3867](ba) section 138BA (disapplication or modification of rules in individual cases);**]**
(c) section 138C (evidential provisions);

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(d) section 138D (actions for damages), but with the omission of **[**F3868subsections (2) and (3), and any references to those subsections**]**;

(e) section 138E (limits on effect of contravening rules);

[F3869(ea) section 138EA (matters to consider when making rules);**]**

(f) section 138F (notification of rules) **[**F3870but with the omission of subsections (1A) and (2)**]**;

(g) section 138G (rule-making instruments);

(h) section 138H (verification of rules);

(i) section 138J (consultation), but with the omission of subsections (1)(a), (2)(c) and (5)(b); F3871...

[F3872(ia) section 138JA(2), (3) (4), (10) and (11) (duties in relation to PRA Cost Benefit Analysis Panel);

(ib) section 138JB (statement of policy in relation to cost benefit analyses);**]**

(j) section 138L (consultation: general exemptions), but with the omission of **[**F3873subsection (1)**]**;

[F3874(k) section 141A (power to make consequential amendments of references to rules);

(l) section 141B (power to consequentially amend enactments).**]**

(2) Any reference in any of those provisions to an authorised person is to be read as a reference to a recognised clearing house F3875**[**F3876... or a recognised CSD**][**F3877or other persons in respect of whom FMI functions are exercised**]**.

[F3878(2A) Section 137T has effect as if, in paragraph (b), for "the other regulator" there were substituted "the FCA or the PRA".

(2B) Section 138A has effect as if the reference in subsection (4)(b) to any of the regulator's objectives were a reference to the Bank's Financial Stability Objective.

(2C) Section 138BA has effect as if subsection (3)(b) and (c) were omitted.

(2D) Section 138EA(5) has effect as if, for paragraphs (a) and (b), there were substituted "complying with a recommendation of the Financial Policy Committee of the Bank of England under section 9O of the Bank of England Act 1998 (making of recommendations within the Bank).**]**

(3) Section 138J(2)(d) has effect in relation to rules proposed to be made by the Bank as if the reference to the compatibility of the proposed rules with the provisions mentioned in section 138J(2)(d) were a reference to their compatibility with the Bank's financial stability objective.

[F3879(3A) Section 138J(8A) has effect as if, in paragraph (a), for sub-paragraphs (i) and (ii) there were substituted "be prejudicial to advancing the Financial Stability Objective, or".**]**

(4) Section 138L(2) has effect as if for paragraphs (a) and (b) there were substituted "be prejudicial to financial stability".

[F3880(4A) Sub-paragraphs (1) to (4) do not apply in relation to rules made by the Bank under section 312M (in relation to which see paragraph 10A).**]**

F3881(5) . . . . . .

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Textual Amendments

F3866 Words in Sch. 17A para. 10(1)(b) substituted (1.1.2024 at 1.00 a.m. for specified purposes, 1.8.2024 in so far as not already in force) by Financial Services and Markets Act 2023 (c. 29), **ss. 50(7)(a)**, 86(3); S.I. 2023/1382, regs. 10(f), 11(b)

F3867 Sch. 17A para. 10(ba) inserted (1.1.2024 at 1.00 a.m. for specified purposes, 1.8.2024 in so far as not already in force) by Financial Services and Markets Act 2023 (c. 29), **ss. 50(7)(b)**, 86(3); S.I. 2023/1382, regs. 10(f), 11(b)

F3868 Words in Sch. 17A para. 10(1)(d) substituted (1.1.2024 at 1.00 a.m. for specified purposes, 1.8.2024 in so far as not already in force) by Financial Services and Markets Act 2023 (c. 29), **ss. 50(7)(c)**, 86(3); S.I. 2023/1382, regs. 10(f), 11(b)

F3869 Sch. 17A para. 10(1)(ea) inserted (1.1.2024 at 1.00 a.m. for specified purposes, 1.8.2024 in so far as not already in force) by Financial Services and Markets Act 2023 (c. 29), **ss. 50(7)(d)**, 86(3); S.I. 2023/1382, regs. 10(f), 11(b)

F3870 Words in Sch. 17A para. 10(1)(f) inserted (1.1.2024 at 1.00 a.m. for specified purposes, 1.8.2024 in so far as not already in force) by Financial Services and Markets Act 2023 (c. 29), **ss. 50(7)(e)**, 86(3); S.I. 2023/1382, regs. 10(f), 11(b)

F3871 Word in Sch. 17A para. 10(1)(i) omitted (1.1.2024 at 1.00 a.m. for specified purposes, 1.8.2024 in so far as not already in force) by virtue of Financial Services and Markets Act 2023 (c. 29), **ss. 50(7)(f)**, 86(3); S.I. 2023/1382, regs. 10(f), 11(b)

F3872 Sch. 17A para. 10(ia)(ib) inserted (1.1.2024 at 1.00 a.m. for specified purposes, 1.8.2024 in so far as not already in force) by Financial Services and Markets Act 2023 (c. 29), **ss. 50(7)(g)**, 86(3); S.I. 2023/1382, regs. 10(f), 11(b)

F3873 Words in Sch. 17A para. 10(1)(j) substituted (1.3.2014) by Financial Services (Banking Reform) Act 2013 (c. 33), s. 148(5), Sch. 10 para. 5; S.I. 2014/377, art. 2(1)(a), **Sch. Pt. 1**

F3874 Sch. 17A para. 10(k)(l) inserted (1.1.2024 at 1.00 a.m. for specified purposes, 1.8.2024 in so far as not already in force) by Financial Services and Markets Act 2023 (c. 29), **ss. 50(7)(h)**, 86(3); S.I. 2023/1382, regs. 10(f), 11(b)

F3875 Words in Sch. 17A para. 10(2) omitted (31.12.2020) by virtue of The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(3), **12** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F3876 Words in Sch. 17A para. 10(2) inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, 2(39)(b) (with regs. 7(4), 9(1))

F3877 Words in Sch. 17A para. 10(2) inserted (1.1.2024 at 1.00 a.m. for specified purposes, 1.8.2024 in so far as not already in force) by Financial Services and Markets Act 2023 (c. 29), **ss. 50(7)(i)**, 86(3); S.I. 2023/1382, regs. 10(f), 11(b)

F3878 Sch. 17A para. 10(2A)-(2D) inserted (1.1.2024 at 1.00 a.m. for specified purposes, 1.8.2024 in so far as not already in force) by Financial Services and Markets Act 2023 (c. 29), **ss. 50(7)(j)**, 86(3); S.I. 2023/1382, regs. 10(f), 11(b)

F3879 Sch. 17A para. 10(3A) inserted (1.1.2024 at 1.00 a.m. for specified purposes, 1.8.2024 in so far as not already in force) by Financial Services and Markets Act 2023 (c. 29), **ss. 50(7)(k)**, 86(3); S.I. 2023/1382, regs. 10(f), 11(b)

F3880 Sch. 17A para. 10(4A) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 19(8)**, 86(3); S.I. 2023/779, **reg. 4(n)**

F3881 Sch. 17A para. 10(5) repealed (1.1.2024) by Financial Services and Markets Act 2023 (c. 29), s. 86(3), **Sch. 1 Pt. 4** (with ss. 1(4), 7(4)); S.I. 2023/779, reg. 5(e)(vi)

[F3882 10A The following provisions of Part 9A of this Act are to apply in relation to rules made by the Bank under section 312M, subject to the modifications specified in this subsection—

(a) section 137T (general supplementary powers) as if—

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(i) the reference in paragraph (a) to "authorised persons, activity or investment" were a reference to "critical third parties or services", and

(ii) for paragraph (b) there were substituted—

"(b) may make provision by reference to rules made by the FCA or PRA or standards issued by any other person, as those rules or standards have effect from time to time,";

(b) sections 138A and 138B (modification or waiver of rules) as if—

(i) the reference in subsection (4)(b) of section 138A to any of regulator's objectives were a reference to the Bank's Financial Stability Objective,

(ii) subsection (5) of section 138A were omitted, and

(iii) subsection (4) of section 138B were omitted;

(c) section 138BA (disapplication or modification of rules in individual cases) as if subsection (3)(b) and (c) were omitted;

(d) section 138C (evidential provisions);

(e) section 138E (limits on effect of contravening rules);

(f) section 138EA (matters to consider when making rules) as if, for paragraphs (a) and (b) of subsection (5), there were substituted "complying with a recommendation of the Financial Policy Committee of the Bank of England under section 9O of the Bank of England Act 1998 (making of recommendations within the Bank).";

(g) section 138F (notification of rules) as if subsections (1A) and (2) were omitted;

(h) section 138G (rule-making instruments);

(i) section 138H (verification of rules);

(j) section 138J (consultation) as if—

(i) the reference in subsection (1)(a) to the "FCA" were a reference to the "FCA and the PRA";

(ii) the reference in subsection (2)(d) to the compatibility of the proposed rules with the provisions mentioned in that subsection were a reference to their compatibility with the Bank's Financial Stability Objective; and

(iii) in subsection (8A), in paragraph (a), for sub-paragraphs (i) and (ii) there were substituted "be prejudicial to advancing the Financial Stability Objective, or";

(k) section 138JA(2), (3) (4), (10) and (11) (duty to consult PRA Cost Benefit Analysis Panel);

(l) section 138JB (statement of policy in relation to cost benefit analyses);

(m) section 138L (consultation: general exemptions) as if—

(i) subsection (1) were omitted, and

(ii) in subsection (2) for paragraphs (a) and (b) there were substituted "be prejudicial to financial stability.";

(n) section 141A (power to make consequential amendments of references to rules);

(o) section 141B (power to consequentially amend enactments).**]**

Status: *This version of this Act contains provisions that are prospective.*
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Textual Amendments

F3882 Sch. 17A para. 10A inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 19(9)**, 86(3); S.I. 2023/779, reg. 4(n)

Information gathering and investigations

11 (1) The powers conferred by section 165(1) and (3) (power to require information) are exercisable by the Bank or (as the case may be) its officers to impose requirements on—

(a) a recognised clearing house;

[[F3883](aa) a recognised CSD;

[[F3884](ab) a third country CSD, in relation to any services referred to in the Annex to the CSD regulation which the third country CSD provides in the United Kingdom;**]]**

[[F3885](ac) a third country central counterparty and any person to whom that central counterparty has outsourced operational functions, services or activities.**]**

(b) a person who for the purposes of section 165 is connected with a recognised clearing house **[**[F3886], a third country central counterparty**][**[F3887]**[**[F3888]or a recognised CSD**]** (as the case may be)**]**.

(2) The information or documents that the Bank may require to be provided or produced are limited to—

(a) information or documents reasonably required in connection with the exercise by the Bank of functions conferred on it by or under this Part of this Act;

(b) information or documents reasonably required in connection with the exercise by the Bank of any of its other functions in pursuance of its financial stability objective; [F3889]...

(c) information or documents which the Bank reasonably considers may enable or assist the FCA in discharging functions conferred on the FCA by or under this Act **[**[F3890]; and

[[F3891](d) information or documents reasonably required in connection with the exercise by the Bank of its functions—

(i) under—

(aa) the EMIR regulation,

(bb) the CSD regulation,

(cc) any EU regulation originally made under the CSD Regulation which is **[**[F3892]assimilated direct**]** legislation, or

(dd) any subordinate legislation made under the CSD Regulation on or after IP completion day;

(ii) in connection with Article 4 or 15 of the SFT regulation; or

(iii) under any subordinate legislation made under the SFT regulation on or after IP completion day.**]**

(3) In consequence of the provision made by sub-paragraph (2), section 165(4) is not to apply in relation to section 165(1) and (3) as applied by this paragraph.**]**

Status: *This version of this Act contains provisions that are prospective.*
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Textual Amendments

F3883 Sch. 17A para. 11(1)(aa)(ab) inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, 2(39)(c)(i) (with regs. 7(4), 9(1))

F3884 Sch. 17A para. 11(1)(ab) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **116(a)(i)**; 2020 c. 1, Sch. 5 para. 1(1)

F3885 Sch. 17A para. 11(1)(ac) inserted (31.12.2020) by The Over the Counter Derivatives, Central Counterparties and Trade Repositories (Amendment, etc., and Transitional Provision) (EU Exit) Regulations 2020 (S.I. 2020/646), regs. 1(3), **2(5)(a)(i)** (with savings in S.I. 2019/680, reg. 11 as amended by S.I. 2020/646, reg. 12)

F3886 Sch. 17A para. 11(2)(d) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **116(b)** (as amended by S.I. 2020/1301, regs. 1, 3, **Sch. para. 33(j)**); 2020 c. 1, **Sch. 5 para. 1(1)**

F3887 Words in Sch. 17A para. 11(1)(b) inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, 2(39)(c)(ii) (with regs. 7(4), 9(1))

F3888 Words in Sch. 17A para. 11(1)(b) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **116(a)(ii)**; 2020 c. 1, Sch. 5 para. 1(1)

F3889 Word in Sch. 17A para. 11(2)(b) omitted (1.4.2013) by The Financial Services and Markets Act 2000 (Over the Counter Derivatives, Central Counterparties and Trade Repositories) Regulations 2013 (S.I. 2013/504), **regs. 1(2)**, 3(16)(a)(i) (with regs. 52-58)

F3890 Sch. 17A para. 11(2)(d) and word inserted (1.4.2013) by The Financial Services and Markets Act 2000 (Over the Counter Derivatives, Central Counterparties and Trade Repositories) Regulations 2013 (S.I. 2013/504), **regs. 1(2)**, 3(16)(a)(ii) (with regs. 52-58)

F3891 Sch. 17A para. 11(2)(d) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **116(b)** (as amended by S.I. 2020/1301, regs. 1, 3, Sch. para. 33(j)); 2020 c. 1, Sch. 5 para. 1(1)

F3892 Words in Sch. 17A para. 11(2)(d)(i)(cc) substituted (1.1.2024) by The Retained EU Law (Revocation and Reform) Act 2023 (Consequential Amendment) Regulations 2023 (S.I. 2023/1424), reg. 1(2), **Sch. para. 44(4)(y)**

12 The power conferred by section 166 (reports by skilled person) is exercisable by the Bank as if references in that section to an authorised person were to a **[**[F3893]recognised clearing house, third country central counterparty or a recognised CSD**]**.

Textual Amendments

F3893 Words in Sch. 17A para. 12 substituted (31.12.2020) by The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), **reg. 13(1)** (as substituted by S.I. 2020/646, regs. 1(2)(c), **11(3)** (with savings in S.I. 2019/680, **reg. 11** as amended by S.I. 2020/646, **reg. 12**))

[[F3894]12A (1) Section 166A applies in relation to rules made by the Bank under section 300F.

(2) For this purpose any reference in section 166A to an authorised person is to be read as a reference to a relevant FMI entity (as defined by paragraph 9B(2)).**]**

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Textual Amendments

F3894 Sch. 17A para. 12A inserted (1.1.2024 at 1.00 a.m. for specified purposes, 1.8.2024 in so far as not already in force) by Financial Services and Markets Act 2023 (c. 29), **ss. 50(8)**, 86(3); S.I. 2023/1382, regs. 10(f), 11(b)

13 (1) The powers conferred by section 167 (appointment of persons to carry out general investigations) are exercisable by the Bank as if references in that section to an authorised person were to any recognised clearing house other than an overseas clearing house **[**F3895 or to any Tier 2 third country central counterparty**][**F3896 or to any recognised CSD**]**.

F3897 (1A) . . . . . .

(2) In addition to the powers conferred by section 171, a person conducting an investigation under section 167 as a result of this paragraph is to have the powers conferred by sections 172 and 173 (and for this purpose the references in those sections to an investigator are to be read accordingly).

Textual Amendments

F3895 Words in Sch. 17A para. 13(1) inserted (31.12.2020) by The Over the Counter Derivatives, Central Counterparties and Trade Repositories (Amendment, etc., and Transitional Provision) (EU Exit) Regulations 2020 (S.I. 2020/646), regs. 1(3), **2(5)(b)** (with savings in S.I. 2019/680, reg. 11 as amended by S.I. 2020/646, reg. 12)

F3896 Words in Sch. 17A para. 13(1) inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, 2(39)(e)(i) (with regs. 7(4), 9(1))

F3897 Sch. 17A para. 13(1A) omitted (31.12.2020) by virtue of The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(3), **13(2)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

14 (1) The power conferred by section 168(5) (appointment of persons to carry out investigations in particular cases) is exercisable by the Bank.

(2) That power is exercisable if it appears to the Bank that there are circumstances suggesting that—

(a) a clearing house **[**F3898 or a central securities depository**]** may be guilty of F3899 ... an offence under prescribed regulations relating to money laundering;

(b) a **[**F3900 clearing house **[**F3898 or a central securities depository**][**F3900 person**]** may have contravened a rule made by the Bank under this Part of this Act;

(c) a clearing house **[**F3898 or a central securities depository**]** may have contravened the recognition requirements;

(d) a clearing house **[**F3898 or a central securities depository**]** may have contravened any **[**F3901 qualifying provision**]** that is specified, or of a description specified, for the purposes of this sub-paragraph by the Treasury by order;

(e) a clearing house **[**F3898 or a central securities depository**]** may have breached the general prohibition.

F3902 (f) . . . . . .

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

[a person may be guilty of an offence under section 398(1), as applied by paragraph 30 of this Schedule;**]**

F3903**[**

F3904(g)

(h) a Tier 2 third country central counterparty may have contravened the requirements of the EMIR regulation.**]**

[F3905(i) an individual may not be a fit and proper person to perform functions in relation to an activity carried on by a relevant recognised body;

(j) an individual may have performed, or agreed to perform, a function in breach of a Part 18 prohibition order;

(k) a relevant recognised body may have failed to comply with section 309F(1);

(l) a relevant recognised body may have failed to comply with section 309G(1);

(m) a person in relation to whom the Bank has given approval under section 309G may not be a fit and proper person to perform the function to which that approval relates;

(n) a person may have performed a designated senior management function without approval under section 309G (see section 309U(3));

(o) a person may be guilty of misconduct for the purposes of section 309Z2.**]**

(3) In addition to the powers conferred by section 171, a person conducting an investigation under section 168(5) as a result of this paragraph is to have the powers conferred by sections 172 and 173 (and for this purpose the references in those sections to an investigator are to be read accordingly).

Textual Amendments

F3898 Words in Sch. 17A para. 14(2)(a)-(e) inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, 2(39)(f)(i) (with regs. 7(4), 9(1))

F3899 Words in Sch. 17A para. 14(2)(a) omitted (1.1.2024 at 1.00 a.m. for specified purposes, 1.8.2024 in so far as not already in force) by virtue of Financial Services and Markets Act 2023 (c. 29), **ss. 50(9)(a)**, 86(3); S.I. 2023/1382, regs. 10(f), 11(b)

F3900 Word in Sch. 17A para. 14(2)(b) substituted (29.6.2023 for specified purposes) by Financial Services and Markets Act 2023 (c. 29), s. 86(1)(e), **Sch. 10 para. 20(3)(a)**

F3901 Words in Sch. 17A para. 14(2)(d) substituted (31.12.2020) by The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(3), **13(3)(a)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F3902 Sch. 17A para. 14(2)(f) omitted (31.12.2020) by virtue of The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(3), **13(3)(b)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F3903 Sch. 17A para. 14(2)(g)(h) inserted (31.12.2020) by The Over the Counter Derivatives, Central Counterparties and Trade Repositories (Amendment, etc., and Transitional Provision) (EU Exit) Regulations 2020 (S.I. 2020/646), regs. 1(3), **2(5)(c)** (with savings in S.I. 2019/680, reg. 11 as amended by S.I. 2020/646, reg. 12)

F3904 Sch. 17A para. 14(2)(g) substituted (1.1.2024 at 1.00 a.m. for specified purposes, 1.8.2024 in so far as not already in force) by Financial Services and Markets Act 2023 (c. 29), **ss. 50(9)(b)**, 86(3); S.I. 2023/1382, regs. 10(f), 11(b)

F3905 Sch. 17A para. 14(2)(i)-(o) inserted (29.6.2023 for specified purposes) by Financial Services and Markets Act 2023 (c. 29), s. 86(1)(e), **Sch. 10 para. 20(3)(b)**

15 An overseas regulator may, in accordance with section 169, request the Bank to exercise the power conferred by section 165 (as applied by paragraph 11 of this Schedule).

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16 The power to give information under section 176(1) (entry of premises under warrant) is exercisable by the Bank, or an investigator appointed by the Bank, as if the reference to the second set of conditions were omitted.

Powers in relation to parent undertakings

17 (1) The following provisions of Part 12A of this Act are to apply in relation to the Bank—

(a) section 192C (power to direct qualifying parent undertaking);
(b) section 192D (requirements that may be imposed);
(c) section 192E (direction: procedure);
(d) section 192G (references to Tribunal);
(e) section 192H (statement of policy);
(f) section 192I (statement of policy: procedure);
(g) section 192J (rules requiring provision of information);
(h) sections 192K to 192N (enforcement).

(2) For the purposes of those provisions section 192B (meaning of "qualifying parent undertaking") is to apply as if the reference in subsection (1) to a qualifying authorised person or recognised UK investment exchange were a reference to a recognised clearing house other than an overseas clearing house **[**F3906or to a recognised CSD**]**.

(3) Section 192C has effect as if—

(a) the general condition in subsection (2) were that the Bank considers that it is desirable to give the direction for the purpose of the effective regulation of one or more recognised clearing houses **[**F3907or recognised CSDs**]** in the group of the qualifying parent undertaking,
(b) subsections (3) and (4) were omitted, and
(c) the reference in subsection (5)(a) to authorised persons or recognised investment exchanges were a reference to recognised clearing houses **[**F3908or recognised CSDs**]**.

(4) Section 192E has effect as if the reference in subsection (1) to an authorised person or recognised investment exchange were a reference to a recognised clearing house **[**F3909or a recognised CSD**]**.

(5) Section 192I has effect as if **[**F3910subsection (1)(a) required consultation with the FCA.**]**

(6) Before the Bank gives a notice under section 192E(1) or (8)(b)—

(a) if the notice relates to the parent undertaking of an authorised person or recognised investment exchange, the Bank must consult the FCA, and

F3911(b) . . . . . .

Textual Amendments

F3906 Words in Sch. 17A para. 17(2) inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), **regs. 1**, 2(39)(g)(i) (with regs. 7(4), 9(1))

F3907 Words in Sch. 17A para. 17(3)(a) inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), **regs. 1**, 2(39)(g)(ii) (with regs. 7(4), 9(1))

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F3908 Words in Sch. 17A para. 17(3)(c) inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), **regs. 1**, 2(39)(g)(ii) (with regs. 7(4), 9(1))
F3909 Words in Sch. 17A para. 17(4) inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), **regs. 1**, 2(39)(g)(iii) (with regs. 7(4), 9(1))
F3910 Words in Sch. 17A para. 17(5) substituted (1.3.2017) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 51(3)(a)** (with Sch. 3); S.I. 2017/43, reg. 2(g)
F3911 Sch. 17A para. 17(6)(b) omitted (1.3.2017) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 51(3)(b)** (with Sch. 3); S.I. 2017/43, **reg. 2(g)**

Auditors

18 (1) Section 342 (information given by auditor to a regulator) applies in relation to a relevant auditor as if—

(a) the references in that section to a recognised investment exchange were to a recognised clearing house **[**F3912or a recognised CSD**]**,

(b) in the case of an auditor of a recognised clearing house **[**F3912or a recognised CSD**]** which is also an authorised person or recognised investment exchange, the references to a regulator included the Bank, and

(c) in the case of an auditor of a recognised clearing house **[**F3912or a recognised CSD**]** not falling within paragraph (b), the references to a regulator were to the Bank.

(2) A "relevant auditor" is a person who is, or has been, an auditor of a recognised clearing house **[**F3912or a recognised CSD**]** appointed under or as a result of a statutory provision **[**F3913, the EMIR regulation or the CSD regulation**]**.

Textual Amendments

F3912 Words in Sch. 17A para. 18 inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), **regs. 1**, 2(39)(h)(i) (with regs. 7(4), 9(1))
F3913 Words in Sch. 17A para. 18(2) substituted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), **regs. 1**, 2(39)(h)(ii) (with regs. 7(4), 9(1))

19 (1) Section 343 (information given by auditor: person with close links) applies in relation to a relevant auditor as if—

(a) the references in that section to a recognised investment exchange were to a recognised clearing house **[**F3914or a recognised CSD**]**,

(b) in the case of an auditor of a recognised clearing house **[**F3914or a recognised CSD**]** which is an authorised person or which is a recognised investment exchange, the references to a regulator included the Bank, and

(c) in the case of an auditor of a recognised clearing house **[**F3914or a recognised CSD**]** not falling within paragraph (b), the references to a regulator were to the Bank.

(2) A "relevant auditor" is a person who—

(a) is, or has been, an auditor of a recognised clearing house **[**F3914or a recognised CSD**]** appointed under or as a result of a statutory provision **[**F3915, the EMIR regulation or the CSD regulation**]**, and

(b) is, or has been, an auditor of a person who has close links with the recognised clearing house **[**F3916or the recognised CSD**]**.

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Textual Amendments

F3914 Words in Sch. 17A para. 19 inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), **regs. 1**, 2(39)(i)(i) (with regs. 7(4), 9(1))

F3915 Words in Sch. 17A para. 19(2)(a) substituted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), **regs. 1**, 2(39)(i)(ii) (with regs. 7(4), 9(1))

F3916 Words in Sch. 17A para. 19(2)(b) inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), **regs. 1**, 2(39)(i)(iii) (with regs. 7(4), 9(1))

20 Section 344 (duty of auditor resigning to give notice) applies to an auditor to whom section 342 applies (whether by virtue of paragraph 18 or otherwise) as if—

(a) the references in that section to a recognised investment exchange were to a recognised clearing house **[**F3917or a recognised CSD**]**,

(b) in the case of an auditor of a recognised clearing house **[**F3917or a recognised CSD**]** which is neither an authorised person nor a recognised investment exchange, the reference in the definition of "the appropriate regulator" to the FCA were a reference to the Bank,

(c) in the case of an auditor of a recognised clearing house **[**F3917or a recognised CSD**]** which is a PRA-authorised person, the reference in the definition of "the appropriate regulator" to the PRA were a reference to the PRA and the Bank, and

(d) in the case, not falling within paragraph (c), of an auditor of a recognised clearing house **[**F3917or a recognised CSD**]** which is an authorised person or which is a recognised investment exchange, the reference in the definition of "the appropriate regulator" to the FCA were a reference to the FCA and the Bank.

Textual Amendments

F3917 Words in Sch. 17A para. 20 inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), **regs. 1**, 2(39)(j) (with regs. 7(4), 9(1))

21 Sections 345A to 345E apply to auditors to whom section 342 applies only by virtue of paragraph 18 as if—

(a) the references in those sections to an auditor or actuary to whom section 342 applies were to an auditor to whom section 342 applies by virtue of paragraph 18,

(b) the references in those sections to a PRA-authorised person were to a recognised clearing house **[**F3918or a recognised CSD**]**,

(c) in a case where the Bank disqualifies a person from being an auditor of a recognised clearing house **[**F3918or a recognised CSD**]** that is also a recognised investment exchange, section 345A(5)(a) required the Bank to notify the FCA, and

(d) the references in sections 345D and 345E to a regulator included the Bank.

Textual Amendments

F3918 Words in Sch. 17A para. 21 inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), **regs. 1**, 2(39)(k) (with regs. 7(4), 9(1))

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Public record and disclosure of information

22 Section 347 (record of authorised persons, recognised investment exchanges, etc),.

[F3919(a)**]** so far as it relates to recognised investment exchanges, applies in relation to the Bank as if references in that section to a recognised investment exchange were to a recognised clearing house **[**F3920, third country central counterparty**][**F3921, a third country CSD**][**F3922or a recognised CSD**]**

[F3923(b) so far as it relates to approved persons, applies in relation to the Bank as if references in that section to an approved person were to a person in relation to whom the Bank has given approval under section 309G.**]**

Textual Amendments

F3919 Words in Sch. 17A para. 22 renumbered as Sch. 17A para. 22(a) (29.6.2023 for specified purposes) by Financial Services and Markets Act 2023 (c. 29), s. 86(1)(e), **Sch. 10 para. 20(4)(a)**

F3920 Words in Sch. 17A para. 22 inserted (31.12.2020) by The Central Counterparties (Amendment, etc., and Transitional Provision) (EU Exit) Regulations 2018 (S.I. 2018/1184), regs. 1(2), **5(a)** (with arts. 11-20) (as amended by: S.I. 2019/405, reg. 8; S.I. 2020/56, reg. 7; and S.I. 2020/646, reg. 4; and with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F3921 Words in Sch. 17A para. 22 inserted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **117(1)**; 2020 c. 1, Sch. 5 para. 1(1)

F3922 Words in Sch. 17A para. 22 inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, 2(39)(l) (with regs. 7(4), 9(1))

F3923 Sch. 17A para. 22(b) inserted (29.6.2023 for specified purposes) by Financial Services and Markets Act 2023 (c. 29), s. 86(1)(e), **Sch. 10 para. 20(4)(b)**

23 **[**F3924(1)**]** Sections 348 to 350 and 353 (disclosure of information) apply in relation to information received by the Bank for the purposes of, or in the discharge of, **[**F3925any of its functions under Chapter 3C of Part 18 of this Act,**]** any of its functions relating to recognised clearing houses **[**F3926or recognised CSDs**][**F3927or any of its functions under the EMIR regulation**][**F3928, the CSD regulation **[**F3929, any EU regulation originally made under the CSD regulation which is **[**F3930assimilated direct**]** legislation, or any subordinate legislation made under the CSD regulation on or after IP completion day**]]**.

[F3931(2) Paragraph 9(2)(a) does not apply to the reference to the PRA in section 348(8).**]**

Textual Amendments

F3924 Sch. 17A para. 23 renumbered as Sch. 17A para. 23(1) (1.3.2017) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 51(4)(a)** (with Sch. 3); S.I. 2017/43, **reg. 2(g)**

F3925 Words in Sch. 17A para. 23(1) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 19(10)**, 86(3); S.I. 2023/779, **reg. 4(n)**

F3926 Words in Sch. 17A para. 23(1) inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, 2(39)(m) (with regs. 7(4), 9(1))

F3927 Words in Sch. 17A para. 23 inserted (1.4.2013) by The Financial Services and Markets Act 2000 (Over the Counter Derivatives, Central Counterparties and Trade Repositories) Regulations 2013 (S.I. 2013/504), regs. 1(2), 3(16)(d) (with regs. 52-58)

F3928 Words in Sch. 17A para. 23 inserted (21.11.2014) by The Central Securities Depositories Regulations 2014 (S.I. 2014/2879), regs. 1(1), 6(4)(b)

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F3929 Words in Sch. 17A para. 23(1) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **117(2)** (as amended by S.I. 2020/1301, regs. 1, 3, **Sch. para. 33(k)**); 2020 c. 1, **Sch. 5 para. 1(1)**

F3930 Words in Sch. 17A para. 23(1) substituted (1.1.2024) by The Retained EU Law (Revocation and Reform) Act 2023 (Consequential Amendment) Regulations 2023 (S.I. 2023/1424), reg. 1(2), **Sch. para. 44(4)(y)**

F3931 Sch. 17A para. 23(2) inserted (1.3.2017) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 51(4)(b)** (with Sch. 3); S.I. 2017/43, **reg. 2(g)**

[F3932 Co-operation

Textual Amendments

F3932 Sch. 17A para. 23A and cross-heading inserted (31.12.2020) by The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(3), **14** (as amended by S.I. 2020/1301, regs. 1, 3, **Sch. para. 37(d)**) (with savings in S.I. 2019/680, **reg. 11**); 2020 c. 1, **Sch. 5 para. 1(1)**

23A Section 354B (co-operation) applies in relation to the Bank for the purposes of, or in the discharge of, any of its functions under—

(a) the EMIR regulation;

(b) the CSD regulation;

(c) the SFT regulation;

(d) any EU regulation, originally made under the CSD regulation or the SFT regulation, which is **[**F3933assimilated direct**]** legislation; or

(e) any subordinate legislation (within the meaning of the Interpretation Act 1978) made under the CSD regulation, or the SFT regulation, on or after IP completion day.**]**

Textual Amendments

F3933 Words in Sch. 17A para. 23A(d) substituted (1.1.2024) by The Retained EU Law (Revocation and Reform) Act 2023 (Consequential Amendment) Regulations 2023 (S.I. 2023/1424), reg. 1(2), **Sch. para. 44(4)(y)**

Insolvency

24 (1) The following provisions of Part 24 of this Act are to apply in relation to the Bank—

[F3934(za) sections 355A and 355B (powers to participate in proceedings under Part 26A of the Companies Act 2006);**]**

(a) section 356 (powers to participate in proceedings: company voluntary arrangements);

(b) section 358 (powers to participate in proceedings: trust deeds for creditors in Scotland);

(c) section 359 (administration order);

(d) section 362 (powers to participate in administration proceedings);

(e) section 362A (consent to appointment of administrator);

(f) section 363 (powers to participate in proceedings: receivership);

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(g) section 365 (powers to participate in proceedings: voluntary winding-up);

(h) section 367 (winding-up petitions);

(i) section 371 (powers to participate in proceedings: winding-up).

(2) Those provisions are to apply as if any reference to an authorised person or recognised investment exchange **[**F3935(other than the reference to "an authorised person" in section 355B(2)(a))**]** were a reference to a recognised clearing house **[**F3936or a recognised CSD**]**.

Textual Amendments

F3934 Sch. 17A para. 24(1)(za) inserted (26.6.2020) by Corporate Insolvency and Governance Act 2020 (c. 12), s. 49(1), **Sch. 9 para. 19(a)** (with ss. 2(2), 5(2))

F3935 Words in Sch. 17A para. 24(2) inserted (26.6.2020) by Corporate Insolvency and Governance Act 2020 (c. 12), s. 49(1), **Sch. 9 para. 19(b)** (with ss. 2(2), 5(2))

F3936 Words in Sch. 17A para. 24(2) inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), **regs. 1**, 2(39)(n) (with regs. 7(4), 9(1))

25 **[**F3937(1)**]** In the case of any regulated activity which is carried on for the purposes of, or in connection with, the provision of clearing services, the reference to the FCA in section 375(1) is to be read as including a reference to the Bank.

[F3938(2) In the case of any regulated activity which is carried on for the purposes of, or in connection with, the provision of any service mentioned in section 285(3D), the reference to the FCA in section 375(1) is to be read as including a reference to the Bank.**]**

Textual Amendments

F3937 Sch. 17A para. 25 renumbered as Sch. 17A para. 25(1) (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), **regs. 1**, 2(39)(o)(i) (with regs. 7(4), 9(1))

F3938 Sch. 17A para. 25(2) inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), **regs. 1**, 2(39)(o)(ii) (with regs. 7(4), 9(1))

Injunctions and restitution

26 (1) The power to make an application under section 380(1), (2) or (3) (injunctions) is exercisable by the Bank.

(2) For the purposes of the application, any reference in that section to a relevant requirement is to—

(a) a requirement that is imposed by or under any provision of this Part of this Act that relates to a recognised clearing house **[**F3939**[**F3940or a recognised CSD**]** (and for this purpose a prohibition imposed under section 312FA(2)(c) (prohibition on person holding office etc. with a central securities depository) is treated as a requirement)**]**;

[F3941(aa) a requirement that is imposed on a critical third party by the Bank by or under any provision of Chapter 3C of this Part of this Act;**]**

(b) a requirement that is imposed under any other provision of this Act by the Bank;

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(c) a requirement that is imposed by any **[**F3942qualifying provision**]** that is specified, or of a description specified, for the purposes of this sub-paragraph by the Treasury by order; or

(d) a requirement that is imposed by this Act and whose contravention constitutes an offence that the Bank has power to prosecute under this Act (see section 401, as applied by paragraph 31).

Textual Amendments

F3939 Words in Sch. 17A para. 26(2)(a) inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, 2(39)(p) (with regs. 7(4), 9(1))

F3940 Words in Sch. 17A para. 26(2)(a) substituted (31.12.2020) by The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(3), **15(1)(a)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F3941 Sch. 17A para. 26(2)(aa) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 19(11)**, 86(3); S.I. 2023/779, **reg. 4(n)**

F3942 Words in Sch. 17A para. 26(2)(c) substituted (31.12.2020) by The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(3), **15(1)(b)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

27 (1) The power to make an application under section 382(1) (restitution order) is exercisable by the Bank.

(2) For the purposes of the application, any reference in that section to a relevant requirement is to be read in accordance with paragraph 26(2) of this Schedule **[**F3943(subject to sub-paragraph (3))**]**.

F3944 **[** (3) The power to make an application under section 382(1) is not exercisable by the Bank in respect of the contravention of a requirement imposed by or under Article 4 or 15 of the SFT regulation.**]**

Textual Amendments

F3943 Words in Sch. 17A para. 27(2) inserted (13.7.2016) by The Financial Services and Markets Act 2000 (Transparency of Securities Financing Transactions and of Reuse) Regulations 2016 (S.I. 2016/715), reg. 1(2), **Sch. 1 para. 1(6)(b)(i)**

F3944 Sch. 17A para. 27(3) inserted (13.7.2016) by The Financial Services and Markets Act 2000 (Transparency of Securities Financing Transactions and of Reuse) Regulations 2016 (S.I. 2016/715), reg. 1(2), **Sch. 1 para. 1(6)(b)(ii)**

28 (1) The power conferred by section 384(5) (power of FCA to require restitution order) is exercisable by the Bank.

(2) That power is exercisable if the Bank is satisfied that a recognised clearing house **[**F3945, a recognised CSD or a critical third party**]** has contravened a relevant requirement, or been knowingly concerned in the contravention of a relevant requirement, and—

(a) that profits have accrued to the recognised clearing house **[**F3946, the recognised CSD or the critical third party**]** as a result of the contravention; or

(b) that one or more persons have suffered loss or been otherwise adversely affected as a result of the contravention.

Status: *This version of this Act contains provisions that are prospective.*
Changes to legislation: *Financial Services and Markets Act 2000 is up to date with all changes known to be in force on or before 17 March 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

(3) For the purposes of that power, "relevant requirement" is to be read in accordance with paragraph 26(2) of this Schedule **[**F3947(subject to sub-paragraph (3A))**]**.

[F3948(3A) The power conferred by section 384(5) is not exercisable by the Bank in respect of the contravention of a requirement imposed by or under Article 4 or 15 of the SFT regulation.**]**

(4) Where this paragraph applies, section 384(5) and (6) are to have effect as if—

(a) any reference to the person concerned were a reference to the recognised clearing house **[**F3949, the recognised CSD or the critical third party**]**; and

(b) any reference to subsection (1) were a reference to sub-paragraph (2) of this paragraph.

Textual Amendments

F3945 Words in Sch. 17A para. 28(2) substituted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 19(12)(a)**, 86(3); S.I. 2023/779, **reg. 4(n)**

F3946 Words in Sch. 17A para. 28(2)(a) substituted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 19(12)(b)**, 86(3); S.I. 2023/779, **reg. 4(n)**

F3947 Words in Sch. 17A para. 28(3) inserted (13.7.2016) by The Financial Services and Markets Act 2000 (Transparency of Securities Financing Transactions and of Reuse) Regulations 2016 (S.I. 2016/715), reg. 1(2), **Sch. 1 para. 1(6)(c)(i)**

F3948 Sch. 17A para. 28(3A) inserted (13.7.2016) by The Financial Services and Markets Act 2000 (Transparency of Securities Financing Transactions and of Reuse) Regulations 2016 (S.I. 2016/715), reg. 1(2), **Sch. 1 para. 1(6)(c)(ii)**

F3949 Words in Sch. 17A para. 28(4)(a) substituted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 19(12)(c)**, 86(3); S.I. 2023/779, **reg. 4(n)**

Notices

29 The provisions of Part 26 of this Act (notices) apply,

[F3950(a)**]** in relation to a warning or decision notice given by the Bank under section **[**F3951**]** 55X(2) or (4),**]** 192L, **[**F3952**]** 309C, 309D, 309M, 309P, 309V, 309Z4,**]** 312G **[**F3953, 312H or 312S**]** as they apply in relation to such a notice given by the FCA under that section.

[F3954(b) in relation to a notice under section 309R(5), (8) or (10)(b) as they apply in relation to such a notice given by the FCA under those provisions.**]**

Textual Amendments

F3950 Words in Sch. 17A para. 29 renumbered as Sch. 17A para. 29(a) (29.6.2023 for specified purposes) by Financial Services and Markets Act 2023 (c. 29), s. 86(1)(e), **Sch. 10 para. 20(5)(a)**

F3951 Words in Sch. 17A para. 29 inserted (1.1.2024 at 1.00 a.m. for specified purposes, 1.8.2024 in so far as not already in force) by Financial Services and Markets Act 2023 (c. 29), **ss. 50(10)**, 86(3); S.I. 2023/1382, regs. 10(f), 11(b)

F3952 Words in Sch. 17A para. 29(a) inserted (29.6.2023 for specified purposes) by Financial Services and Markets Act 2023 (c. 29), s. 86(1)(e), **Sch. 10 para. 20(5)(b)**

F3953 Words in Sch. 17A para. 29 substituted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 19(13)**, 86(3); S.I. 2023/779, **reg. 4(n)**

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F3954 Sch. 17A para. 29(b) inserted (29.6.2023 for specified purposes) by Financial Services and Markets Act 2023 (c. 29), s. 86(1)(e), **Sch. 10 para. 20(5)(c)**

Offences

30 Section 398 (misleading the FCA: residual cases) applies to information given to the Bank in purported compliance with—

(a) a requirement that is imposed by or under any provision of Part 18 of this Act that relates to a recognised clearing house **[**F3955, a third country central counterparty**][**F3956or a recognised CSD**]**;

[F3957(aa) a requirement that is imposed by or under any provision of Chapter 3C of Part 18 of this Act that relates to critical third parties;**]**

(b) a requirement that is imposed under any other provision of this Act by the Bank; or

(c) a requirement that is imposed by any **[**F3958qualifying provision**]** specified, or of a description specified, for the purposes of this paragraph by the Treasury by order.

Textual Amendments

F3955 Words in Sch. 17A para. 30(a) inserted (31.12.2020) by The Over the Counter Derivatives, Central Counterparties and Trade Repositories (Amendment, etc., and Transitional Provision) (EU Exit) Regulations 2020 (S.I. 2020/646), regs. 1(3), **2(5)(d)** (with savings in S.I. 2019/680, reg. 11 as amended by S.I. 2020/646, reg. 12)

F3956 Words in Sch. 17A para. 30(a) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **118(a)**; 2020 c. 1, Sch. 5 para. 1(1)

F3957 Sch. 17A para. 30(aa) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 19(14)**, 86(3); S.I. 2023/779, **reg. 4(n)**

F3958 Words in Sch. 17A para. 30(c) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **118(b)**; 2020 c. 1, Sch. 5 para. 1(1)

31 (1) Section 401 (proceedings for an offence) applies to the Bank as if for the purposes of subsections (2)(a) and (3)(a) of that section the Bank were an appropriate regulator in respect of each of the following offences—

(a) an offence under section 177(3) where the investigation is being, or is likely to be, conducted on behalf of the Bank;

(b) an offence under section 177(4) where the requirement is imposed by the Bank;

(c) an offence under section 177(6) where the warrant is issued as a result of information on oath given by the Bank or a person appointed by it to conduct an investigation on its behalf;

[F3959(ca) an offence under section 309E;**]**

(d) an offence under section 398(1) where the information was given to the Bank.

(2) Section 401(3B) has effect subject to the provision made by this paragraph (so that the FCA is not the appropriate regulator for the purposes of subsections (2)(a) and (3)(a) in respect of the above offences).

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Textual Amendments

F3959 Sch. 17A para. 31(1)(ca) inserted (29.6.2023 for specified purposes) by Financial Services and Markets Act 2023 (c. 29), s. 86(1)(e), **Sch. 10 para. 20(6)**

[F3960 International obligations

Textual Amendments

F3960 Sch. 17A para. 31A and cross-heading inserted (1.1.2024 at 1.00 a.m. for specified purposes, 1.8.2024 in so far as not already in force) by Financial Services and Markets Act 2023 (c. 29), **ss. 50(11)**, 86(3); S.I. 2023/1382, regs. 10(f), 11(b)

31A (1) The following provisions of Part 28 of this Act apply in relation to the exercise by the Bank of its FMI functions with the modifications in sub-paragraphs (2) and (3)—

(a) section 409A (consultation in relation to deference decisions), and

(b) section 409B (notification in relation to international trade obligations).

(2) Section 409A applies as if—

(a) in subsection (4), in paragraph (b), for the words after "proposes to" to the end there were substituted "exercise any of its other FMI functions";

(b) in subsection (6)(a), the reference to the duty imposed by section 138J were a reference to that duty as it applies in relation to the Bank under paragraph 10(1) of this Schedule;

(c) in subsection (9), for paragraphs (a) to (f) there were substituted "in order to comply with a recommendation of the Financial Policy Committee of the Bank of England under section 9O of the Bank of England Act 1998 (making of recommendations within the Bank).";

(d) subsections (7) and (10) were omitted.

(3) Section 409B applies as if—

(a) in subsection (4), in paragraph (b), for the words after "proposes to" to the end there were substituted "exercise any of its other FMI functions";

(b) in subsection (5)(a), the reference to the duty imposed by section 138J were a reference to that duty as it applies in relation to the Bank under paragraph 10(1) of this Schedule;

(c) in subsection (8), for paragraphs (a) to (c) there were substituted "in order to comply with a recommendation of the Financial Policy Committee of the Bank of England under section 9O of the Bank of England Act 1998 (making of recommendations within the Bank).";

(d) subsections (6) and (9) were omitted.**]**

[F3961 Transitional provisions

Textual Amendments

F3961 Sch. 17A para. 31B and cross-heading inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 68(3)**, 86(3); S.I. 2023/779, reg. 4(tt)

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31B Section 427 (transitional provisions), so far as it relates to an order under section 426 which makes provision in connection with this Part of this Act, applies in relation to the Bank.**]**

Records

32 Paragraph 17 of Schedule 1ZB (records) applies in relation to the recording of decisions made by the Bank in the exercise of its functions relating to recognised clearing houses **[**F3962, **[**F3963third country central counterparties,**]** recognised CSDs **[**F3964, critical third parties**]** and **[**F3965third country CSDs**]]**.

Textual Amendments

F3962 Words in Sch. 17A para. 32 inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, 2(39)(s) (with regs. 7(4), 9(1))

F3963 Words in Sch. 17A para. 32 inserted (31.12.2020) by The Central Counterparties (Amendment, etc., and Transitional Provision) (EU Exit) Regulations 2018 (S.I. 2018/1184), regs. 1(2), **5(b)** (with arts. 11-20) (as amended by: S.I. 2019/405, reg. 8; S.I. 2020/56, reg. 7; and S.I. 2020/646, reg. 4; and with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F3964 Words in Sch. 17A para. 32 inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 19(15)**, 86(3); S.I. 2023/779, **reg. 4(n)**

F3965 Words in Sch. 17A para. 32 substituted (31.12.2020) by The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(3), **16** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

Annual report

33 Paragraph 19 of Schedule 1ZB (annual report by PRA) applies in relation to the Bank, but—

(a) as if for paragraphs (a) to **[**F3966(fb)**]** of sub-paragraph (1) there were substituted—

"(a) the discharge of its functions relating to recognised clearing houses **[**F3967, **[**F3968third country central counterparties,**]** recognised CSDs **[**F3969, critical third parties**]** and **[**F3970third country CSDs**]]**,

(b) the extent to which, in its opinion, in discharging those functions its **[**F3971Financial Stability Objective and its objective under section 30D(2) of the Bank of England Act 1998 have been advanced**]**,

[F3972(c) the efforts it has made to engage with persons (other than those mentioned in paragraph (a)) appearing to the Bank to have an interest in the discharge of those functions, and

(d) the results of that engagement,**]**", and"

(b) as if **[**F3973sub-paragraphs (1A), (1B), (3) and (6)**]** were omitted.

Textual Amendments

F3966 Word in Sch. 17A para. 33(a) substituted (1.1.2024 at 1.00 a.m. for specified purposes, 1.8.2024 in so far as not already in force) by Financial Services and Markets Act 2023 (c. 29), **ss. 50(12)**, 86(3) (as amended by S.I. 2023/1410, regs. 1(2), 5); S.I. 2023/1382, regs. 10(f), 11(b)

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F3967 Words in Sch. 17A para. 33(a) inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, 2(39)(t) (with regs. 7(4), 9(1))

F3968 Words in Sch. 17A para. 33(a) inserted (31.12.2020) by The Central Counterparties (Amendment, etc., and Transitional Provision) (EU Exit) Regulations 2018 (S.I. 2018/1184), regs. 1(2), **5(c)** (with arts. 11-20) (as amended by S.I. 2019/405, reg. 8; S.I. 2020/56, reg. 7; and S.I. 2020/646, reg. 4; and with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F3969 Words in Sch. 17A para. 33(a) inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), **ss. 19(16)**, 86(3); S.I. 2023/779, **reg. 4(n)**

F3970 Words in Sch. 17A para. 33 substituted (31.12.2020) by The Investment Exchanges, Clearing Houses and Central Securities Depositories (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/662), regs. 1(3), **17** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F3971 Words in Sch. 17A para. 33(a) substituted (1.1.2024 at 1.00 a.m. for specified purposes, 1.8.2024 in so far as not already in force) by Financial Services and Markets Act 2023 (c. 29), **ss. 50(12)(a)**, 86(3); S.I. 2023/1382, regs. 10(f), 11(b)

F3972 Words in Sch. 17A para. 33(a) inserted (1.1.2024 at 1.00 a.m. for specified purposes, 1.8.2024 in so far as not already in force) by Financial Services and Markets Act 2023 (c. 29), **ss. 50(12)(b)**, 86(3); S.I. 2023/1382, regs. 10(f), 11(b)

F3973 Words in Sch. 17A para. 33(b) substituted (1.1.2024 at 1.00 a.m. for specified purposes, 1.8.2024 in so far as not already in force) by Financial Services and Markets Act 2023 (c. 29), **ss. 50(13)**, 86(3); S.I. 2023/1382, regs. 10(f), 11(b)

I[F3974] *Other reports*

Textual Amendments

F3974 Sch. 17A paras. 33A, 33B and cross-headings inserted (1.1.2024 at 1.00 a.m. for specified purposes, 1.8.2024 in so far as not already in force) by Financial Services and Markets Act 2023 (c. 29), **ss. 50(14)**, 86(3); S.I. 2023/1382, regs. 10(f), 11(b)

33A Paragraph 21A of Schedule 1ZB (other reports by PRA) applies in relation to the Bank, but as if—

(a) the reference in sub-paragraph (1)(a) to paragraphs (a) to (f) of paragraph 19(1) were a reference to those paragraphs as substituted in relation to the Bank under paragraph 33 of this Schedule;

(b) the reference in sub-paragraph (1)(b) to such other matters were a references to such other matters so far as relating to the exercise of the Bank's FMI functions;

(c) the reference in sub-paragraph (5)(b) to section 348 were a reference to that section as it applies in relation to the Bank under paragraph 23 of this Schedule.

Engagement with Parliamentary Committees

33B (1) Paragraph 36 of Schedule 1ZB (PRA engagement with Parliamentary Committees) applies in relation to the Bank, but as if—

(a) in sub-paragraph (2)(a), the reference to section 138J were a reference to that section as it applies in relation to the Bank under paragraph 10(1) of this Schedule;

(b) in sub-paragraph (2)(b), the reference to a proposal were to a proposal so far as relating to the exercise of the Bank's FMI functions;

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(c) in sub-paragraph (2)(c), the reference to general functions were a reference to the Bank's FMI functions;

(d) in sub-paragraph (4)(a), the reference to the PRA's objectives were a reference to the Financial Stability Objective and the Bank's secondary innovation objective (see section 30D(2) of the Bank of England Act 1998);

(e) in sub-paragraph (4)(b), the reference to section 3B were a reference to section 30E of the Bank of England Act 1998;

(f) in sub-paragraph (4)(c), the reference to section 138EA were a reference to that section as it applies in relation to the Bank under paragraph 10(1) of this Schedule;

(g) in sub-paragraph (5A)(b)(ii) and (c)(ii), the references to the PRA being notified were references to the Bank being notified.

(2) Paragraph 37 of Schedule 1ZB applies in relation to the Bank, but as if, in sub-paragraph (2), after "the draft of any proposals" there were inserted "so far as relating to the exercise by the Bank of its FMI functions".**]**

PART 3

WINDING UP, ADMINISTRATION OR INSOLVENCY OF **[**F3975RECOGNISED CLEARING HOUSES**]**

Textual Amendments

F3975 Words in Sch. 17A Pt. III heading substituted (1.4.2013) by The Financial Services and Markets Act 2000 (Over the Counter Derivatives, Central Counterparties and Trade Repositories) Regulations 2013 (S.I. 2013/504), regs. 1(2), **3(16)(e)** (with regs. 52-58)

Notice to Bank of England of preliminary steps

34 (1) An application for an administration order in respect of a **[**F3976recognised clearing house**][**F3977or a recognised CSD**]** may not be determined unless the conditions below are satisfied.

(2) A petition for a winding up order in respect of a **[**F3976recognised clearing house**][**F3977or a recognised CSD**]** may not be determined unless the conditions below are satisfied.

(3) A resolution for voluntary winding up of a **[**F3976recognised clearing house**][**F3977or a recognised CSD**]** may not be made unless the conditions below are satisfied.

(4) An administrator of a **[**F3976recognised clearing house**][**F3977or a recognised CSD**]** may not be appointed unless the conditions below are satisfied.

(5) Condition 1 is that the Bank of England has been notified—

(a) by the applicant for an administration order, that the application has been made,

(b) by the petitioner for a winding up order, that the petition has been presented,

(c) by the **[**F3976recognised clearing house**][**F3978or the recognised CSD**]**, that a resolution for voluntary winding up may be made, or

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(d) by the person proposing to appoint an administrator, of the proposed appointment.

(6) Condition 2 is that a copy of the notice complying with Condition 1 has been filed (in Scotland, lodged) with the court (and made available for public inspection by the court).

(7) Condition 3 is that—

(a) the period of 2 weeks, beginning with the day on which the notice is received, has ended, or

(b) the Bank of England has informed the person who gave the notice that—

(i) it has no objection to the order, resolution or appointment being made, and

(ii) it does not intend to exercise a stabilisation power under **[**F3979Schedule 11 to the Financial Services and Markets Act 2023**]**.

(8) Arranging for the giving of notice in order to satisfy Condition 1 can be a step with a view to minimising the potential loss to a **[**F3976recognised clearing house's**][**F3980or a recognised CSD's**]** creditors for the purpose of section 214 of the Insolvency Act 1986 (wrongful trading).

(9) In this paragraph "the court" means—

(a) in England and Wales, the High Court,

(b) in Scotland, the Court of Session, and

(c) in Northern Ireland, the High Court.

Textual Amendments

F3976 Words in Sch. 17A para. 34 substituted (1.4.2013) by The Financial Services and Markets Act 2000 (Over the Counter Derivatives, Central Counterparties and Trade Repositories) Regulations 2013 (S.I. 2013/504), **regs. 1(2)**, 3(16)(f) (with regs. 52-58)

F3977 Words in Sch. 17A para. 34 inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), **regs. 1**, 2(39)(u)(i) (with regs. 7(4), 9(1))

F3978 Words in Sch. 17A para. 34(5)(c) inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), **regs. 1**, 2(39)(u)(ii) (with regs. 7(4), 9(1))

F3979 Words in Sch. 17A para. 34(7)(b)(ii) substituted (31.12.2023) by The Resolution of Central Counterparties (Modified Application of Corporate Law and Consequential Amendments) Regulations 2023 (S.I. 2023/1313), regs. 1(2), **10(2)**

F3980 Words in Sch. 17A para. 34(8) inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), **regs. 1**, 2(39)(u)(iii) (with regs. 7(4), 9(1))

Power to give directions to insolvency practitioner

35 (1) This paragraph applies where a person has been appointed to act as an insolvency practitioner (within the meaning of section 388 of the Insolvency Act 1986 or Article 3 of the Insolvency (Northern Ireland) Order 1989) in relation to a company which is, or has been, a **[**F3981recognised clearing house**][**F3982or a recognised CSD**]**.

(2) The Bank of England may give directions to the person if satisfied that it is desirable to give the directions, having regard to the public interest in—

(a) protecting and enhancing the stability of the UK financial system,

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(b) protecting and enhancing public confidence in the stability of the UK financial system, F3983...

(c) **[**F3984in the case of a company which is, or has been, a recognised clearing house,**]** maintaining the continuity of F3985... clearing services **[**F3986and**]**

[F3987(d) in the case of a company which is, or has been, a recognised CSD, maintaining the continuity of the services referred to in section 285(3D)**]**.

(3) Before giving directions the Bank of England must consult—

(a) the Treasury, **[**F3988and**]**

F3989(b) . . . . . .

(c) the FCA.

(4) Directions are enforceable, on an application by the Bank of England, by an injunction or, in Scotland, by an order for specific performance under section 45 of the Court of Session Act 1988.

(5) A person is not liable for damages in respect of action or inaction in accordance with directions.

(6) The immunity does not extend to action or inaction—

(a) in bad faith, or

(b) in contravention of section 6(1) of the Human Rights Act 1998.

Textual Amendments

F3981 Words in Sch. 17A para. 35(1) substituted (1.4.2013) by The Financial Services and Markets Act 2000 (Over the Counter Derivatives, Central Counterparties and Trade Repositories) Regulations 2013 (S.I. 2013/504), regs. 1(2), 3(16)(g)(i) (with regs. 52-58)

F3982 Words in Sch. 17A para. 35(1) inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), **regs. 1**, 2(39)(v)(i) (with regs. 7(4), 9(1))

F3983 Word in Sch. 17A para. 35(2)(b) omitted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), **regs. 1**, 2(39)(v)(ii)(aa) (with regs. 7(4), 9(1))

F3984 Words in Sch. 17A para. 35(2)(c) inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), **regs. 1**, 2(39)(v)(ii)(bb) (with regs. 7(4), 9(1))

F3985 Words in Sch. 17A para. 35(2)(c) omitted (1.4.2013) by The Financial Services and Markets Act 2000 (Over the Counter Derivatives, Central Counterparties and Trade Repositories) Regulations 2013 (S.I. 2013/504), **regs. 1(2)**, 3(16)(g)(ii) (with regs. 52-58)

F3986 Word in Sch. 17A para. 35(2)(c) inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), **regs. 1**, 2(39)(v)(ii)(cc) (with regs. 7(4), 9(1))

F3987 Sch. 17A para. 35(2)(d) inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), **regs. 1**, 2(39)(v)(ii)(dd) (with regs. 7(4), 9(1))

F3988 Word in Sch. 17A para. 35(3)(a) inserted (1.3.2017) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 51(5)(a)** (with Sch. 3); S.I. 2017/43, **reg. 2(g)**

F3989 Sch. 17A para. 35(3)(b) omitted (1.3.2017) by Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 51(5)(b)** (with Sch. 3); S.I. 2017/43, **reg. 2(g)**

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PART 4

FEES

36 (1) The Bank of England may, in connection with the discharge of any of its qualifying functions, require recognised clearing houses**[**F3990, F3991... **[**F3992third country central counterparties, recognised CSDs F3993... or settlement internalisers (as defined in point (11) of Article 2(1) of the CSD regulation)**]]** to pay fees to the Bank.

(2) The "qualifying functions" of the Bank are—

(a) its functions under or as a result of this Part of this Act, F3994...

(b) its functions under or as a result of a **[**F3995qualifying provision**]** that is specified, or of a description specified, for the purposes of this sub-paragraph by the Treasury by order**[**F3996; F3997...

[F3998(ba) its functions under or as a result of regulations made under section 8 of the European Union (Withdrawal) Act 2018; and**]**

(c) its functions under or as a result of Part 7 of the Companies Act 1989.**]**

(3) The power of the Bank to set fees includes power to set fees for the purpose of meeting expenses incurred by it or the FCA—

(a) in preparation for the exercise of functions by the Bank under this Part of this Act, F3999...

(b) for the purpose of facilitating the exercise by the Bank of those functions or otherwise in connection with their exercise by it **[**F4000or**]**

[F4001(c) in preparation for the exercise of functions by the Bank under Article 9(1) of the CSD regulation**]**.

(4) It is irrelevant when the expenses were incurred (and, in particular, it is irrelevant if expenses were incurred by the FCA at a time when it was known as the Financial Services Authority).

[F4002(5) The power conferred by this paragraph may not be used to require a fee to be paid by any person whose application under section 309I for approval under section 309G has been granted.**]**

Textual Amendments

F3990 Words in Sch. 17A para. 36(1) inserted (1.4.2013) by The Financial Services and Markets Act 2000 (Over the Counter Derivatives, Central Counterparties and Trade Repositories) Regulations 2013 (S.I. 2013/504), regs. 1(2), 3(16)(h)(i) (with regs. 52-58)

F3991 Words in Sch. 17A para. 36(1) omitted (31.12.2020) by virtue of The Central Counterparties (Amendment, etc., and Transitional Provision) (EU Exit) Regulations 2018 (S.I. 2018/1184), regs. 1(2), **5(d)** (with arts. 11-20) (as amended by: S.I. 2019/405, reg. 8; S.I. 2020/56, reg. 7; and S.I. 2020/646, reg. 4; and with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

F3992 Words in Sch. 17A para. 36(1) substituted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, 2(39)(w)(i) (with regs. 7(4), 9(1))

F3993 Words in Sch. 17A para. 36(1) omitted (31.12.2020) by virtue of The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **119(a)**; 2020 c. 1, Sch. 5 para. 1(1)

F3994 Word in Sch. 17A para. 36(2)(a) omitted (1.4.2013) by The Financial Services and Markets Act 2000 (Over the Counter Derivatives, Central Counterparties and Trade Repositories) Regulations 2013 (S.I. 2013/504), regs. 1(2), 3(16)(h)(ii) (with regs. 52-58)

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F3995 Words in Sch. 17A para. 36(2)(b) substituted (31.12.2020) by The Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/632), regs. 1(3), **119(b)**; 2020 c. 1, Sch. 5 para. 1(1)

F3996 Sch. 17A para. 36(2)(c) and word inserted (1.4.2013) by The Financial Services and Markets Act 2000 (Over the Counter Derivatives, Central Counterparties and Trade Repositories) Regulations 2013 (S.I. 2013/504), **regs. 1(2)**, 3(16)(h)(iii) (with regs. 52-58)

F3997 Word in Sch. 17A para. 36(2)(b) omitted (26.10.2018) by The Financial Regulators Powers (Technical Standards etc.) (Amendment etc.) (EU Exit) Regulations 2018 (S.I. 2018/1115), regs. 1(2), 7(11)(b)(i)

F3998 Sch. 17A para. 36(2)(ba) inserted (26.10.2018) by The Financial Regulators Powers (Technical Standards etc.) (Amendment etc.) (EU Exit) Regulations 2018 (S.I. 2018/1115), **regs. 1(2)**, 7(11)(b)(ii)

F3999 Word in Sch. 17A para. 36(3)(a) omitted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, 2(39)(w)(ii)(aa) (with regs. 7(4), 9(1))

F4000 Word in Sch. 17A para. 36(3)(b) inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, 2(39)(w)(ii)(bb) (with regs. 7(4), 9(1))

F4001 Sch. 17A para. 36(3)(c) inserted (28.11.2017) by The Central Securities Depositories Regulations 2017 (S.I. 2017/1064), regs. 1, 2(39)(w)(ii)(cc) (with regs. 7(4), 9(1))

F4002 Sch. 17A para. 36(5) inserted (29.6.2023 for specified purposes) by Financial Services and Markets Act 2023 (c. 29), s. 86(1)(e), **Sch. 10 para. 20(7)**

37 Any fee which is owed to the Bank under paragraph 36 may be recovered as a debt due to the Bank.**]**

SCHEDULE 18 Sections 334, 336 and 338.

MUTUALS

PART I

FRIENDLY SOCIETIES

The Friendly Societies Act 1974 (c.46)

1 Omit sections 4 (provision for separate registration areas) and 10 (societies registered in one registration area carrying on business in another).

2 In section 7 (societies which may be registered), in subsection (2)(b), for "in the central registration area or in Scotland" substitute " in the United Kingdom, the Channel Islands or the Isle of Man ".

3 In section 11 (additional registration requirements for societies with branches), omit "and where any such society has branches in more than one registration area, section 10 above shall apply to that society".

4 In section 99(4) (punishment of fraud etc and recovery of property misapplied), omit "in the central registration area".

The Friendly Societies Act 1992 (c.40)

5 Omit sections 31 to 36A (authorisation of friendly societies business).

6 In section 37 (restrictions on combinations of business), omit subsections (1), (1A) and (7A) to (9).

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7 Omit sections 38 to 43 (restrictions on business of certain authorised societies).

8 Omit sections 44 to 50 (regulation of friendly societies business).

PART II

FRIENDLY SOCIETIES: SUBSIDIARIES AND CONTROLLED BODIES

Interpretation

9 In this Part of this Schedule—

"the 1992 Act" means the [M73]Friendly Societies Act 1992; and

"section 13" means section 13 of that Act.

Marginal Citations

M73 1992 c. 40.

Qualifying bodies

10 (1) Subsections (2) to (5) of section 13 (incorporated friendly societies allowed to form or acquire control or joint control only of qualifying bodies) cease to have effect.

(2) As a result, omit—

(a) subsections (8) and (11) of that section, and

(b) Schedule 7 to the 1992 Act (activities which may be carried on by a subsidiary of, or body jointly controlled by, an incorporated friendly society).

Bodies controlled by societies

11 In section 13(9) (defined terms), after paragraph (a) insert—

"(aa) an incorporated friendly society also has control of a body corporate if the body corporate is itself a body controlled in one of the ways mentioned in paragraph (a)(i), (ii) or (iii) by a body corporate of which the society has control;".

Joint control by societies

12 In section 13(9), after paragraph (c) insert—

"(cc) an incorporated friendly society also has joint control of a body corporate if—

(i) a subsidiary of the society has joint control of the body corporate in a way mentioned in paragraph (c)(i), (ii) or (iii);

(ii) a body corporate of which the society has joint control has joint control of the body corporate in such a way; or

(iii) the body corporate is controlled in a way mentioned in paragraph (a)(i), (ii) or (iii) by a body corporate of which the society has joint control;".

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Acquisition of joint control

13 In section 13(9), in the words following paragraph (d), after "paragraph (c)" insert " or (cc) ".

Amendment of Schedule 8 to the 1992 Act

14 (1) Schedule 8 to the 1992 Act (provisions supplementing section 13) is amended as follows.

(2) Omit paragraph 3(2).

(3) After paragraph 3 insert—

"3A (1) A body is to be treated for the purposes of section 13(9) as having the right to appoint to a directorship if—

(a) a person's appointment to the directorship follows necessarily from his appointment as an officer of that body; or

(b) the directorship is held by the body itself.

(2) A body ("B") and some other person ("P") together are to be treated, for the purposes of section 13(9), as having the right to appoint to a directorship if—

(a) P is a body corporate which has directors and a person's appointment to the directorship follows necessarily from his appointment both as an officer of B and a director of P;

(b) P is a body corporate which does not have directors and a person's appointment to the directorship follows necessarily from his appointment both as an officer of B and as a member of P's managing body; or

(c) the directorship is held jointly by B and P.

(3) For the purposes of section 13(9), a right to appoint (or remove) which is exercisable only with the consent or agreement of another person must be left out of account unless no other person has a right to appoint (or remove) in relation to that directorship.

(4) Nothing in this paragraph is to be read as restricting the effect of section 13(9)."

(4) In paragraph 9 (exercise of certain rights under instruction by, or in the interests of, incorporated friendly society) insert at the end " or in the interests of any body over which the society has joint control ".

Consequential amendments

15 (1) Section 52 of the 1992 Act is amended as follows.

(2) In subsection (2), omit paragraph (d).

(3) In subsection (3), for "(4) below" substitute " (2) ".

(4) For subsection (4) substitute—

"(4) A court may not make an order under subsection (5) unless it is satisfied that one or more of the conditions mentioned in subsection (2) are satisfied."

(5) In subsection (5), omit the words from "or, where" to the end.

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References in other enactments

16 References in any provision of, or made under, any enactment to subsidiaries of, or bodies jointly controlled by, an incorporated friendly society are to be read as including references to bodies which are such subsidiaries or bodies as a result of any provision of this Part of this Schedule.

PART III

BUILDING SOCIETIES

The Building Societies Act 1986 (c.53)

17 Omit section 9 (initial authorisation to raise funds and borrow money).

18 Omit Schedule 3 (supplementary provisions about authorisation).

F4003 PART IV

INDUSTRIAL AND PROVIDENT SOCIETIES

Textual Amendments

F4003 Sch. 18 Pt. IV repealed (1.8.2014) by Co-operative and Community Benefit Societies Act 2014 (c. 14), s. 154, **Sch. 7** (with Sch. 5)

The Industrial and Provident Societies Act 1965 (c.12)

19 . . . . . .

20 . . . . . .

PART V

CREDIT UNIONS

The Credit Unions Act 1979 (c.34)

21 In section 6 (minimum and maximum number of members), omit subsections (2) to (6).

22 In section 11 (loans), omit subsections (2) and (6).

23 Omit sections 11B (loans approved by credit unions), 11C (grant of certificates of approval) and 11D (withdrawal of certificates of approval).

24 In section 12, omit subsections (4) and (5).

25 In section 14, omit subsections (2), (3), (5) and (6).

26 In section 28 (offences), omit subsection (2).

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[F4004]SCHEDULE 19

. . . . . .

Textual Amendments

F4004 Sch. 19 repealed (20.6.2003) by Enterprise Act 2002 (c. 40), **ss. 247(k)**, 278(2), 279, **Sch. 26** (with s. 237); S.I. 2003/1397, **art. 2(1)**, Sch.

[F4005SCHEDULE 19A

Section 377G

THE MANAGER OF A WRITE-DOWN ORDER

Textual Amendments

F4005 Sch. 19A inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), s. 86(2)(e), **Sch. 12 para. 2**

Application of Schedule

1 (1) This Schedule applies where—

(a) a write-down order has been made under section 377A in relation to an insurer, and

(b) one or more persons have been appointed under section 377G to act as the manager of the order.

(2) Where only one person acts as the manager, a reference in this Schedule to "the manager" is to that person.

(3) Where two or more persons act jointly as the manager—

(a) a reference in this Schedule to the manager is a reference to those persons acting jointly;

(b) where an offence of omission is committed by the manager, each of the persons appointed to act jointly—

(i) commits the offence, and

(ii) may be proceeded against and punished individually.

(4) Where persons act jointly in respect of only some of the functions of the manager, sub-paragraph (3) applies only in relation to those functions.

(5) Where two or more persons act concurrently as the manager, a reference in this Schedule to the manager is a reference to any of the persons appointed (or any combination of them).

(6) In this Schedule, "creditor" includes a contingent or prospective creditor.

Status of the manager

2 The manager is an officer of the court.

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Monitoring the insurer's affairs

3 (1) The manager must monitor the insurer's affairs for the purpose of forming a view as to whether—

(a) it remains the case that the write-down order is reasonably likely to lead to a better outcome for the insurer's policyholders and other creditors (taken as a whole) than if the write-down order were not in effect, or

(b) that will remain the case, or once again be the case, if the directors of the insurer were to take certain action or refrain from taking certain action.

(2) If the manager forms the view mentioned in sub-paragraph (1)(b), the manager may make such recommendations to the directors of the insurer as the manager thinks appropriate.

(3) In forming a view mentioned in sub-paragraph (1), the manager is entitled to rely on information provided by the insurer, unless the manager has reason to doubt its accuracy.

(4) If directed to do so by the FCA or the PRA, the manager must provide a report to that regulator on such matters relating to the insurer's affairs, and at such intervals, as that regulator may specify.

Application by manager to revoke or vary a write-down order

4 (1) This paragraph applies if the manager forms the view that it is in the interests of the insurer's policyholders and other creditors (taken as a whole) for the write-down order to be—

(a) revoked, or

(b) varied in one or more respects.

(2) The manager must apply to the court for such orders (whether under section 377I or otherwise) as the manager thinks likely to achieve the best outcome for the insurer's policyholders and other creditors (taken as a whole).

(3) In forming the view mentioned in sub-paragraph (1), the manager may have regard, among other things—

(a) to whether recommendations under paragraph 3(2) have been made (and if so, whether they have been acted upon);

(b) to whether recommendations, or further recommendations, under paragraph 3(2) could be made (and if so, the likelihood that they will be acted upon).

Provision of information and assistance to the manager

5 (1) The manager may require a relevant person to provide such information or assistance as the manager may reasonably require for the purpose of carrying out the manager's functions.

(2) Each of the following is a "relevant person" for these purposes—

(a) a director of the insurer, or of a body corporate in the same group as the insurer;

(b) an employee of the insurer, or of a body corporate in the same group as the insurer;

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(c) a person providing a service to the insurer, or to a body corporate in the same group as the insurer;

(d) a person who has at any relevant time been a person falling within paragraph (a), (b) or (c).

(3) A relevant person must comply with a requirement under this paragraph to provide information as soon as is practicable.

(4) The obligation imposed by sub-paragraph (3) is enforceable, on the application of the manager—

(a) by an injunction, or

(b) in Scotland, by an order for specific performance under section 45 of the Court of Session Act 1988.

Application by manager for directions

6 The manager may apply to the court for directions about the carrying out of the manager's functions.

Challenges to the manager's actions

7 (1) Any of the following persons may apply to the court on the ground that an act, omission or decision of the manager has unfairly harmed the interests of the applicant—

(a) a director of the insurer;

(b) a shareholder of the insurer;

(c) a policyholder or other creditor of the insurer;

(d) any other person affected by the write-down order.

(2) Any of the following persons may apply to the court on the ground that an act, omission or decision of the manager is not in the interests of the insurer's policyholders and other creditors (taken as a whole)—

(a) the FCA;

(b) the PRA;

(c) the scheme manager of the Financial Services Compensation Scheme (see section 212(1));

(d) a provisional liquidator of the insurer.

(3) Before making an application under sub-paragraph (2)—

(a) the FCA must consult the PRA;

(b) the PRA must consult the FCA;

(c) the scheme manager of the Financial Services Compensation Scheme must notify the FCA and the PRA.

(4) On an application under this paragraph the court may—

(a) confirm, reverse or modify any act or decision of the manager,

(b) give the manager directions, or

(c) make such other order as the court thinks appropriate (but may not, under this paragraph, order the manager to pay any compensation).

(5) Where an application under this paragraph relates to a failure by the manager to apply to the court for the variation or termination of the write-down order, the court

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may treat the application as an application for an order under section 377I made by a person entitled to apply for an order under that section.**]**

[F4006SCHEDULE 19B

Section 377J

FURTHER PROVISION ABOUT WRITE-DOWN ORDERS

Textual Amendments

F4006 Sch. 19B inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), s. 86(2)(e), **Sch. 12 para. 3**

PART 1

RESTRICTIONS ON ENFORCEMENT

Application of this Part of this Schedule

1 (1) This Part of this Schedule applies in relation to an insurer—

(a) during the period—

(i) beginning with the date on which an application is made for a write-down order in relation to the insurer, and

(ii) ending with the date on which the order is made or the application is withdrawn or dismissed;

(b) during the period—

(i) beginning with the date on which a write-down order is made in relation to the insurer, and

(ii) ending with the last day of the period of six months beginning with the day on which the write-down order takes effect (see section 377A(3)(a));

(c) during such further period as the court may order.

(2) This Part of this Schedule ceases to apply—

(a) where the court orders that it should cease to apply (and in accordance with the terms of the order), or

(b) where the write-down order ceases to have effect (because, in accordance with section 377H, each reduction in the value of a liability of the insurer ceases to have effect).

(3) The court—

(a) may make an order under sub-paragraph (1)(c) or (2)(a) only on an application by a person mentioned in sub-paragraph (4);

(b) may not specify in an order under sub-paragraph (1)(c) a period longer than six months (but may make one or more further such orders).

(4) The persons are—

(a) a person entitled to make an application for a write-down order in relation to the insurer (see section 377C(1));

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(b) a person appointed under section 377G to act as the manager of the write-down order;
(c) a provisional liquidator of the insurer;
(d) the FCA.

(5) Before making an application for an order under this Part of this Schedule—
(a) a person other than the PRA or the Treasury must consult the PRA;
(b) the PRA must consult the FCA.

Moratorium on proceedings

2 (1) Where this Part of this Schedule applies in relation to an insurer, except with the permission of the court—
(a) no step may be taken to enforce security over the insurer's property;
(b) no step may be taken to repossess goods in the insurer's possession under a hire-purchase agreement;
(c) a landlord may not exercise a right of forfeiture by peaceable re-entry in relation to premises let to the insurer;
(d) in Scotland, a landlord may not exercise a right of irritancy in relation to premises let to the insurer;
(e) no legal process (including legal proceedings, execution, distress or diligence) may be instituted, carried out or continued against the insurer or its property.

(2) Where the court gives permission for something to be done that would otherwise be prevented by this paragraph, it may impose a condition on, or a requirement in connection with, the permission.

(3) In this paragraph, "landlord" includes a person to whom rent is payable.

Exceptions

3 (1) This Part of this Schedule does not apply in relation to—
(a) arrangements entered into after the date on which this Part of this Schedule first applied in relation to the insurer;
(b) employment tribunal proceedings or any legal process arising out of such proceedings;
(c) proceedings, not within paragraph (b), involving a claim between an employer and a worker.

(2) Nothing in this Part of this Schedule—
(a) prevents the FCA or the PRA from exercising a function it has in relation to the insurer or any other person;
(b) prevents a consumer from taking steps to enforce a money award or direction under section 229 or 404B.

(3) Nothing in this Part of this Schedule affects the operation of—
(a) Part 7 of the Companies Act 1989 (financial markets and insolvency);
(b) the Financial Markets and Insolvency Regulations 1996 (S.I. 1996/1469);
(c) the Financial Markets and Insolvency (Settlement Finality) Regulations 1999 (S.I. 1999/2979);

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(d) the Financial Collateral Arrangements (No.2) Regulations 2003 (S.I. 2003/3226).

(4) The Treasury may by regulations amend sub-paragraph (3).

(5) In this paragraph—

"agency worker" has the meaning given by section 13(2) of the Employment Relations Act 1999;

"arrangements" includes any agreement, understanding, scheme, transaction or series of transactions;

"employer"—

(a) in relation to an agency worker, has the meaning given by section 13(2) of the Employment Relations Act 1999;

(b) otherwise, has the meaning given by section 230(4) of the Employment Rights Act 1996;

"worker" means an individual who is—

(a) a worker within the meaning of section 230(3) of the Employment Rights Act 1996, or

(b) an agency worker.

PART 2

DEALING WITH ASSETS ETC

Application of this Part of this Schedule

4 This Part of this Schedule applies while a write-down order has effect in relation to one or more liabilities of an insurer.

Dealing with assets

5 The insurer may not dispose of, or otherwise deal with, any of its assets (whether in the United Kingdom or elsewhere) except—

(a) in the ordinary way of the insurer's business, or

(b) with the consent of the PRA.

Paying variable remuneration

6 The insurer may not pay variable remuneration that is not regulated by a collective bargaining agreement, except with the consent of the PRA.

Distributions

7 The insurer may not make a distribution, within the meaning of Part 23 of the Companies Act 2006, except with the consent of the PRA.

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PART 3

TREATMENT OF WRITTEN-DOWN LIABILITIES FOR CERTAIN PURPOSES

Application of this Part of this Schedule

8 (1) This Part of this Schedule applies in relation to a liability of an insurer while the value of the liability is reduced under a write-down order.

(2) Where the write-down order is varied, this Part of this Schedule applies as if references to the write-down order were to the order as varied.

Relevant insolvency provisions

9 (1) In determining the value of the liability for the purposes of a relevant insolvency provision, no account is to be taken of the contingent or prospective value of the liability, or interest on the liability, arising from any expectation that the write-down order will be varied, further varied or cease to have effect (whether in relation to the liability or generally).

(2) The relevant insolvency provisions are—

(a) section 123 of the 1986 Act or Article 103 of the 1989 Order, or any statutory provision which applies that section or that Article;

(b) Article 11 of Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency 2);

(c) PRA rules applicable to non-directive insurers, within the meaning given by the Rulebook made by the PRA under this Act (as that Rulebook has effect from time to time).

(3) The Treasury may by regulations amend sub-paragraph (2).

Reinsurance contracts

10 (1) This paragraph applies where—

(a) the liability is a liability under a contract of insurance the insurer carries out as principal ("contract A"), and

(b) the insurer enters into a reinsurance contract under which contract A, or any liability under contract A, is reinsured ("contract B").

(2) In determining the value of the liability for the purposes of contract B, no account is to be taken of the reduction in value of the liability under the write-down order.

PART 4

INTEREST

11 (1) This Part of this Schedule applies where—

(a) the value of a liability of an insurer is reduced under a write-down order,

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(b) while the write-down order has effect in relation to the liability, an amount of the liability is due and payable (or would be due and payable but for the write-down order), and

(c) the amount remains due and payable after the reduction ceases to have effect.

(2) The amount carries statutory interest, within the meaning of the Late Payment of Commercial Debts (Interest) Act 1998, for the period—

(a) beginning with the date on which the write-down order took effect or, if later, the date on which the amount became due and payable (or would have become due and payable but for the write-down order), and

(b) ending with the day on which the amount is paid.

(3) Where a write-down order is varied, this section applies as if references to the write-down order were to the order as varied.**]**

[F4007SCHEDULE 19C

Section 377K

INSURERS IN FINANCIAL DIFFICULTIES: ENFORCEMENT OF CONTRACTS

Textual Amendments

F4007 Sch. 19C inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), s. 86(2)(e), **Sch. 13 para. 1(3)**

PART 1

INTRODUCTORY

Application of this Schedule

1 This Schedule applies in relation to an insurer while the insurer is in financial difficulties.

"Financial difficulties"

2 (1) An insurer is in "financial difficulties" for the purposes of this Schedule if—

(a) Part 1 of Schedule 19B (write-down orders: restrictions on enforcement) has effect in relation to the insurer (see paragraph 1(1) and (2) of that Schedule);

(b) the insurer is in administration, within the meaning of Schedule B1 to the 1986 Act or Schedule B1 to the 1989 Order, or awaiting administration;

(c) a petition for the winding up of the insurer has been presented and has not been withdrawn or determined.

(2) For the purposes of sub-paragraph (1)(b), an insurer is awaiting administration while an application for an administration order in respect of the insurer has been made to the court and—

(a) the application has not yet been granted or dismissed, or

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(b) the application has been granted but the administration order has not yet taken effect.

(3) For the purposes of this Schedule, an insurer "enters into financial difficulties"—

(a) in a case to which sub-paragraph (1)(a) applies, on the date on which Part 1 of Schedule 19B first has effect in relation to the insurer;

(b) in a case to which sub-paragraph (1)(b) applies, on the date on which the application for the administration order is made to the court;

(c) in a case to which sub-paragraph (1)(c) applies, on the date on which the winding-up petition is presented.

PART 2

POLICYHOLDER SURRENDER RIGHTS

Restriction on policyholder surrender rights

3 (1) Where this Schedule applies in relation to an insurer, the total value of a policyholder's rights under a relevant contract of insurance which the policyholder may surrender in a relevant period must not exceed the surrender limit for that period.

(2) For these purposes—

"relevant contract of insurance" means a contract of long-term insurance which is not a contract in respect of which the following conditions are met—

(a) the benefits under the contract are payable only on death or in respect of incapacity due to injury, sickness or infirmity;

(b) the contract has no surrender value, or the consideration consists of a single premium and the surrender value does not exceed that premium;

(c) the contract makes no provision for its conversion or extension in a manner which would result in it ceasing to comply with either of the above conditions;

"relevant period" means—

(a) the period of 12 months beginning with the date on which the insurer entered into financial difficulties, and

(b) each subsequent period of 12 months;

"surrender limit", in relation to a relevant contract of insurance and relevant period, is an amount equal to 5% of the total surrender value of the contract on the day on which the relevant period began.

Switching rights

4 (1) This paragraph applies where the value of a right under a relevant contract of insurance is wholly or partly determined by reference to property of any description.

(2) The reference in paragraph 3(1) to the surrender of rights by a policyholder includes the exercise by the policyholder of a contractual right to change the property by reference to which the value of a right is (wholly or partly) determined.

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Consent to exceed surrender limit

5 (1) Paragraph 3(1) does not apply if, or to the extent that, consent for the surrender of an amount that would exceed the surrender limit for the relevant period has been given by—

(a) the court,

(b) a relevant office-holder, or

(c) where there is no relevant office-holder, the insurer.

(2) For these purposes, "relevant office-holder" means—

(a) a provisional liquidator of the insurer;

(b) an administrator of the insurer;

(c) a person appointed to act as the manager of a write-down order that has effect in relation to the insurer.

(3) The court, a relevant office-holder or the insurer (as the case may be) may give consent under sub-paragraph (1) only if satisfied that not doing so would cause the policyholder hardship.

(4) Where a provisional liquidator of an insurer has been appointed, the manager of a write-down order that has effect in relation to the insurer must obtain the consent of the provisional liquidator before giving consent under sub-paragraph (1).

(5) As soon as reasonably practicable after giving consent under sub-paragraph (1), a relevant office-holder or the insurer must notify the PRA.

PART 3

TERMINATION ETC OF RELEVANT CONTRACTS

Relevant contracts

6 (1) For the purposes of this Part of this Schedule, a contract to which an insurer is a party is a "relevant contract" if it is—

(a) a contract for the supply of goods or services to the insurer,

(b) a financial contract, or

(c) a reinsurance contract under which contracts of insurance the insurer carries out as principal are reinsured.

(2) "Financial contract" means—

(a) a contract for the provision of financial services consisting of—

(i) lending (including the factoring and financing of commercial transactions),

(ii) financial leasing, or

(iii) providing guarantees or commitments;

(b) a securities contract, including—

(i) a contract for the purchase, sale or loan of a security or group or index of securities;

(ii) an option on a security or group or index of securities;

(iii) a repurchase or reverse repurchase transaction on any such security, group or index;

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(c) a commodities contract, including—

(i) a contract for the purchase, sale or loan of a commodity or group or index of commodities for future delivery;

(ii) an option on a commodity or group or index of commodities;

(iii) a repurchase or reverse repurchase transaction on any such commodity, group or index;

(d) a futures or forwards contract, including a contract (other than a commodities contract) for the purchase, sale or transfer of a commodity or property of any other description, service, right or interest for a specified price at a future date;

(e) a swap agreement, including—

(i) a swap or option relating to interest rates, spot or other foreign exchange agreements, currency, an equity index or equity, a debt index or debt, commodity indexes or commodities, weather, emissions or inflation;

(ii) a total return, credit spread or credit swap;

(iii) any agreement or transaction similar to an agreement that is referred to in sub-paragraph (i) or (ii) and is the subject of recurrent dealing in the swaps or derivatives markets.

(3) But a master agreement for any contract or agreement referred to in sub-paragraph (2) is not a relevant contract for the purposes of this Part of this Schedule.

(4) For the purposes of sub-paragraph (2), "commodities" includes—

(a) units recognised for compliance with the requirements of EU Directive 2003/87/EC establishing a scheme for greenhouse gas emission allowance trading,

(b) allowances under paragraph 5 of Schedule 2 to the Climate Change Act 2008 relating to a trading scheme dealt with under Part 1 of that Schedule (schemes limiting activities relating to emissions of greenhouse gas), and

(c) renewables obligation certificates issued—

(i) by the Gas and Electricity Markets Authority under an order made under section 32B of the Electricity Act 1989, or

(ii) by the Northern Ireland Authority for Utility Regulation under the Energy (Northern Ireland) Order 2003 (S.I. 2003/419 (N.I. 6)) and pursuant to an order made under Articles 52 to 55F of that Order.

Restriction on termination etc

7 (1) Where this Schedule applies in relation to an insurer, a provision of a relevant contract, entered into by the insurer before the insurer first enters into financial difficulties, ceases to have effect if, and to the extent that, under the provision—

(a) the contract would terminate, a supply would cease, or any other thing would occur, because the insurer is in financial difficulties, or

(b) another party to the contract would be entitled to terminate the contract, cease a supply, or do any other thing, because the insurer is in financial difficulties.

(2) Where—

(a) under a provision of a relevant contract, another party to the contract is entitled to terminate the contract, cease a supply, or do any other thing

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because of an event occurring before the insurer was in financial difficulties, and

(b) the entitlement arises before the insurer was in financial difficulties,

the entitlement may not be exercised while the insurer is in financial difficulties.

(3) A supplier of goods or services to an insurer must not—

(a) make it a condition of a supply of goods or services, while the insurer is in financial difficulties, that any outstanding charges in respect of a supply made to the insurer before the insurer is in financial difficulties are paid, or

(b) do anything which has that effect.

Consent to terminate relevant contracts

8 (1) Sub-paragraph (2) applies where—

(a) a provision of a relevant contract ceases to have effect under paragraph 7(1), or

(b) an entitlement under a provision of a relevant contract is not exercisable under paragraph 7(2).

(2) A party to the contract (other than the insurer) may terminate the contract, or do another thing in relation to the contract, if consent to terminate the contract or do that other thing (as the case may be) has been given by—

(a) the court,

(b) a relevant office holder, or

(c) where there is no relevant office-holder, the insurer.

(3) For these purposes, "relevant office-holder" means an administrator or provisional liquidator of the insurer (but does not include a person appointed to act as the manager of a write-down order that has effect in relation to the insurer).

(4) The court, a relevant office-holder or the insurer (as the case may be) may give consent under sub-paragraph (2) only if satisfied that not doing so would cause hardship to any person.

(5) As soon as reasonably practicable after giving consent under sub-paragraph (2), a relevant office-holder or the insurer must notify the PRA.

PART 4

Exclusions and disapplication of this Schedule

Exclusions

9 (1) Nothing in this Schedule affects the operation of—

(a) Part 7 of the Companies Act 1989 (financial markets and insolvency);

(b) the Financial Markets and Insolvency Regulations 1996 (S.I. 1996/1469);

(c) the Financial Markets and Insolvency (Settlement Finality) Regulations 1999 (S.I. 1999/2979);

(d) the Financial Collateral Arrangements (No.2) Regulations 2003 (S.I. 2003/3226).

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(2) Nothing in this Schedule affects any protected arrangements within the meaning of section 48P of the Banking Act 2009.

Disapplication of this Schedule by the court

10 (1) The court may order that this Schedule, or a specified provision of this Schedule—

(a) does not apply (insofar as it would otherwise) in relation to one or more contracts to which the insurer is a party, or

(b) applies with specified modifications in relation to one or more such contracts.

(2) An order under this paragraph—

(a) must specify the contracts to which it applies;

(b) may specify all of the contracts to which the insurer is a party (and to which one or more provisions of this Schedule would otherwise apply).

(3) For the purposes of an order under this paragraph—

"contract" includes a contract of insurance;

"specified" means specified or described in the order.

(4) The court may make an order under this paragraph only if satisfied that one or more of the following grounds is made out—

(a) not making the order would be likely to cause hardship to any person (other than the insurer);

(b) where the insurer is in financial difficulties by virtue of paragraph 2(1)(a) (write-down order), making the order is reasonably likely to lead to a better outcome for the insurer's policyholders and other creditors (taken as a whole) than not making the order;

(c) where the insurer is in financial difficulties by virtue of paragraph 2(1)(b) (administration), making the order is reasonably likely to promote the purpose of administration.

(5) The "purpose of administration" means—

(a) where the insurer is in, or is awaiting, administration under Part 2 of the 1986 Act (as modified, in relation to insurers, by the Financial Services and Markets Act 2000 (Administration Orders Relating to Insurers) Order 2010 (S.I. 2010/3023)), an objective specified in paragraph 3 or 3A of Schedule B1 to the 1986 Act;

(b) where the insurer is in, or is awaiting, administration under Part 3 of the 1989 Order (as modified, in relation to insurers, by the Financial Services and Markets Act 2000 (Administration Orders Relating to Insurers) (Northern Ireland) Order 2007 (S.I. 2007/846)), an objective specified in paragraph 4 of Schedule B1 to the 1989 Order.

Procedure

11 (1) An order under paragraph 10 may be made on the court's own motion or on an application by—

(a) where the insurer is in financial difficulties by virtue of paragraph 2(1)(a) (write-down order), a person mentioned in paragraph 1(4) of Schedule 19B;

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(b) where the insurer is in financial difficulties by virtue of paragraph 2(1)(b) (administration), a person mentioned in sub-paragraph (2);
(c) where the insurer is in financial difficulties by virtue of paragraph 2(1)(c) (winding up), a person entitled to petition for the winding up of the insurer;
(d) a provisional liquidator of the insurer;
(e) the FCA.

(2) For the purposes of sub-paragraph (1)(b), the persons are—
(a) where an administrator has been appointed, the administrator;
(b) where the insurer is in, or is awaiting, administration under Part 2 of the 1986 Act, a person mentioned in paragraph 12(1) of Schedule B1 to that Act;
(c) where the insurer is in, or is awaiting, administration under Part 3 of the 1989 Order, a person mentioned in paragraph 13(1) of Schedule B1 to that Order.

(3) Before making an application for an order under paragraph 10—
(a) a person other than a person mentioned in sub-paragraph (4) must obtain the consent of the PRA;
(b) a person mentioned in sub-paragraph (4) must consult the PRA.

(4) The persons mentioned in this sub-paragraph are—
(a) the FCA;
(b) an administrator of the insurer;
(c) a provisional liquidator of the insurer;
(d) a person appointed to act as the manager of the write-down order by virtue of which the insurer is in financial difficulties for the purposes of this Schedule.

(5) Consent under sub-paragraph (3)(a)—
(a) must be in writing, and
(b) must be filed with the court with the relevant application.

(6) The PRA must consult the FCA before giving or refusing consent under sub-paragraph (3)(a).

PART 5

Powers to amend this Schedule

12 The Treasury may by regulations amend this Schedule so as to—
(a) vary or omit any of paragraphs (a), (b) and (c) of paragraph 2(1);
(b) change the percentage figure specified in the definition of "surrender limit" in paragraph 3(2);
(c) amend paragraph 6 (meaning of "relevant contract");
(d) amend paragraph 9 (exclusions from the operation of this Schedule).**]**

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SCHEDULE 20

Section 432(1).

MINOR AND CONSEQUENTIAL AMENDMENTS

The House of Commons Disqualification Act 1975 (c. 24)

1 In Part III of Schedule 1 to the House of Commons Disqualification Act 1975 (disqualifying offices)—

(a) omit—

> "Any member of the Financial Services Tribunal in receipt of remuneration";

and

(b) F4008 . . . . . .

Textual Amendments

F4008 Sch. 20 para. 1(b) repealed (6.4.2010) by The Transfer of Tribunal Functions Order 2010 (S.I. 2010/22), arts. 1(2)(g), 5(3), **Sch. 4 Pt. 2**

Commencement Information

I95 Sch. 20 para. 1 wholly in force at 1.12.2001; Sch. 20 para. 1 not in force at Royal Assent see s. 431(2); Sch. 20 para. 1(b) in force at 3.9.2001 by S.I. 2001/2632, art. 2(2), **Sch. Pt. 2**; Sch. 20 para. 1 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**

The Northern Ireland Assembly Disqualification Act 1975 (c. 25)

2 In Part III of Schedule 1 to the Northern Ireland Assembly Disqualification Act 1975 (disqualifying offices)—

(a) omit—

> "Any member of the Financial Services Tribunal in receipt of remuneration";

and

(b) F4009 . . . . . .

Textual Amendments

F4009 Sch. 20 para. 2(b) repealed (6.4.2010) by The Transfer of Tribunal Functions Order 2010 (S.I. 2010/22), arts. 1(2)(g), 5(3), **Sch. 4 Pt. 2**

Commencement Information

I96 Sch. 20 para. 2 wholly in force at 1.12.2001; Sch. 20 para. 2 not in force at Royal Assent see s. 431(2); Sch. 20 para. 2(b) in force at 3.9.2001 by S.I. 2001/2632, art. 2(2), **Sch. Pt. 2**; Sch. 20 para. 2 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**

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The Civil Jurisdiction and Judgments Act 1982 (c. 27)

3 In paragraph 10 of Schedule 5 to the Civil Jurisdiction and Judgments Act 1982 (proceedings excluded from the operation of Schedule 4 to that Act), for "section 188 of the Financial Services Act 1986" substitute " section 415 of the Financial Services and Markets Act 2000 ".

The Income and Corporation Taxes Act 1988 (c. 1)

4 (1) The Income and Corporation Taxes Act 1988 is amended as follows.

(2) In section 76 (expenses of management: insurance companies), in subsection (8), omit the definitions of—

"the 1986 Act";
"authorised person";
"investment business";
"investor";
"investor protection scheme";
"prescribed"; and
"recognised self-regulating organisation".

(3) F4010 . . . . . .

(4) F4011 . . . . . .

(5) F4012 . . . . . .

(6) F4013 . . . . . .

Textual Amendments

F4010 Sch. 20 para. 4(3) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), 1181(1), 1184(1)(3)(4), {Sch. 3 Pt. 1} (subject to Sch. 2)

F4011 Sch. 20 para. 4(4) repealed (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by Income Tax Act 2007 (c. 3), ss. 1031, 1034(1), **Sch. 3 Pt. 1** (with transitional provisions and savings in Sch. 2)

F4012 Sch. 20 para. 4(5) omitted (13.8.2009) by virtue of The Finance Act 2009, Schedule 47 (Consequential Amendments) Order 2009 (S.I. 2009/2035), art. 2, {Sch. para. 60(h)}

F4013 Sch. 20 para. 4(6) repealed (19.7.2007) by Finance Act 2007 (c. 11), s. 114, **Sch. 27 Pt. 6(5)**

The Finance Act 1991 (c. 31)

5 (1) The Finance Act 1991 is amended as follows.

(2) In section 47 (investor protection schemes), omit subsections (1), (2) and (4).

(3) In section 116 (investment exchanges and clearing houses: stamp duty), in subsection (4)(b), for "Financial Services Act 1986" substitute " Financial Services and Markets Act 2000 ".

The Tribunals and Inquiries Act 1992 (c. 53)

6 F4014 . . . . . .

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Textual Amendments

F4014 Sch. 20 para. 6 repealed (6.4.2010) by The Transfer of Tribunal Functions Order 2010 (S.I. 2010/22), arts. 1(2)(g), 5(3), **Sch. 4 Pt. 2**

Commencement Information

I97 Sch. 20 para. 6 in force at 3.7.2001; Sch. 20 para. 6 not in force at Royal Assent see s. 431(2); Sch. 20 para. 6 in force at 3.7.2001 by S.I. 2001/2364, **art. 2(a)** (with transitional savings in art. 3)

The Judicial Pensions and Retirement Act 1993 (c. 8)

7 (1) The Judicial Pensions and Retirement Act 1993 is amended as follows.

(2) **F4015** . . . . . .

(3) In Schedule 5 (relevant offices in relation to retirement provisions)—

(a) omit the entry—

"Member of the Financial Services Tribunal appointed by the Lord Chancellor";

and

(b) **F4016** . . . . . .

Textual Amendments

F4015 Sch. 20 para. 7(2) repealed (6.4.2010) by The Transfer of Tribunal Functions Order 2010 (S.I. 2010/22), arts. 1(2)(g), 5(3), **Sch. 4 Pt. 2**

F4016 Sch. 20 para. 7(3)(b) repealed (6.4.2010) by The Transfer of Tribunal Functions Order 2010 (S.I. 2010/22), arts. 1(2)(g), 5(3), **Sch. 4 Pt. 2**

Commencement Information

I98 Sch. 20 para. 7 wholly in force at 1.12.2001; Sch. 20 para. 7 not in force at Royal Assent see s. 431(2); Sch. 20 para. 7(except sub-para. (3)(a)) in force at 3.9.2001 by S.I. 2001/2632, art. 2(2), **Sch. Pt. 2**; Sch. 20 para. 7 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**

SCHEDULE 21

Section 432(2).

TRANSITIONAL PROVISIONS AND SAVINGS

Self-regulating organisations

1 (1) No new application under section 9 of the 1986 Act (application for recognition) may be entertained.

(2) No outstanding application made under that section before the passing of this Act may continue to be entertained.

(3) After the date which is the designated date for a recognised self-regulating organisation—

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(a) the recognition order for that organisation may not be revoked under section 11 of the 1986 Act (revocation of recognition);

(b) no application may be made to the court under section 12 of the 1986 Act (compliance orders) with respect to that organisation.

(4) The powers conferred by section 13 of the 1986 Act (alteration of rules for protection of investors) may not be exercised.

(5) "Designated date" means such date as the Treasury may by order designate.

(6) Sub-paragraph (3) does not apply to a recognised self-regulating organisation in respect of which a notice of intention to revoke its recognition order was given under section 11(3) of the 1986 Act before the passing of this Act if that notice has not been withdrawn.

(7) Expenditure incurred by the Authority in connection with the winding up of any body which was, immediately before the passing of this Act, a recognised self-regulating organisation is to be treated as having been incurred in connection with the discharge by the Authority of functions under this Act.

(8) "Recognised self-regulating organisation" means an organisation which, immediately before the passing of this Act, was such an organisation for the purposes of the 1986 Act.

(9) "The 1986 Act" means the [M91]Financial Services Act 1986.

Marginal Citations
M91 1986 c. 60.

Self-regulating organisations for friendly societies

2 (1) No new application under paragraph 2 of Schedule 11 to the 1986 Act (application for recognition) may be entertained.

(2) No outstanding application made under that paragraph before the passing of this Act may continue to be entertained.

(3) After the date which is the designated date for a recognised self-regulating organisation for friendly societies—

(a) the recognition order for that organisation may not be revoked under paragraph 5 of Schedule 11 to the 1986 Act (revocation of recognition);

(b) no application may be made to the court under paragraph 6 of that Schedule (compliance orders) with respect to that organisation.

(4) "Designated date" means such date as the Treasury may by order designate.

(5) Sub-paragraph (3) does not apply to a recognised self-regulating organisation for friendly societies in respect of which a notice of intention to revoke its recognition order was given under section 11(3) of the 1986 Act (as applied by paragraph 5(2) of that Schedule) before the passing of this Act if that notice has not been withdrawn.

(6) Expenditure incurred by the Authority in connection with the winding up of any body which was, immediately before the passing of this Act, a recognised self-

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regulating organisation for friendly societies is to be treated as having been incurred in connection with the discharge by the Authority of functions under this Act.

(7) "Recognised self-regulating organisation for friendly societies" means an organisation which, immediately before the passing of this Act, was such an organisation for the purposes of the 1986 Act.

(8) "The 1986 Act" means the [M92]Financial Services Act 1986.

Marginal Citations

M92 1986 c. 60.

SCHEDULE 22

Section 432(3).

REPEALS

Modifications etc. (not altering text)

C1731 Sch. 22 applied (E.W.) (7.6.2013) by The Energy Supply Company Administration Rules 2013 (S.I. 2013/1046), rules 1, **10(7)(c)** (with rules 3, 208)

Commencement Information

I99 Sch. 22 wholly in force at 2.7.2002; Sch. 22 not in force at Royal Assent see s. 431(2); Sch. 22 in force for specified purposes at 30.4.2001 by S.I. 2001/1282, **art. 2(b)**; Sch. 22 in force 2.7.2002 in relation to the Credit Union Act 1979 by S.I. 2001/3538, **art. 2(5)(b)**; Sch. 22 in force at in so far as not already in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**

Chapter	Short title	Extent of repeal
1923 c. 8.	The Industrial Assurance Act 1923.	The whole Act.
1948 c. 39.	The Industrial Assurance and Friendly Societies Act 1948.	The whole Act.
1965 c. 12.	The Industrial and Provident Societies Act 1965.	Section 8.
		Section 70.
1974 c. 46.	The Friendly Societies Act 1974.	Section 4.
		Section 10.
		In section 11, from "and where" to "that society".
		In section 99(4), "in the central registration area".
1975 c. 24.	The House of Commons Disqualification Act 1975.	In Schedule 1, in Part III, "Any member of the

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		Financial Services Tribunal in receipt of remuneration".
1975 c. 25.	The Northern Ireland Assembly Dis-qualification Act 1975.	In Schedule 1, in Part III, "Any member of the Financial Services Tribunal in receipt of remuneration".
1977 c. 46.	The Insurance Brokers (Registration) Act 1977.	The whole Act.
1979 c. 34.	The Credit Unions Act 1979.	Section 6(2) to (6).
		Section 11(2) and (6).
		Sections 11B, 11C and 11D.
		Section 12(4) and (5).
		In section 14, subsections (2), (3), (5) and (6).
		Section 28(2).
1986 c. 53.	The Building Societies Act 1986.	Section 9.
		Schedule 3.
1988 c. 1.	The Income and Corporation Taxes Act 1988.	In section 76, in subsection (8), the definitions of "the 1986 Act", "authorised person", "investment business", "investor", "investor protection scheme", "prescribed" and "recognised self-regulating organisation".
1991 c. 31.	The Finance Act 1991.	In section 47, subsections (1), (2) and (4).
1992 c. 40.	The Friendly Societies Act 1992.	In section 13, subsections (2) to (5), (8) and (11).
		Sections 31 to 36.
		In section 37, subsections (1), (1A) and (7A) to (9).
		Sections 38 to 50.
		In section 52, subsection (2) (d) and, in subsection (5), the words from "or where" to the end.
		Schedule 7.
		In Schedule 8, paragraph 3(2).

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1993 c. 8.	The Judicial Pensions and Retirement Act 1993.	In Schedule 5, "Member of the Financial Services Tribunal appointed by the Lord Chancellor".

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Changes and effects yet to be applied to :

- Act power to apply conferred (temp. until 15.5.2039) by 2014 c. 21 s. 79(4)
- Act power to apply conferred (temp. until 15.5.2039) by 2014 c. 21 s. 81(10)
- Pt. 9A Ch. 2A repealed by 2023 c. 29 Sch. 1 Pt. 4
- Pt. 20C inserted by 2016 c. 14 s. 30(3)
- s. 3A(3)(a) words inserted by 2021 c. 22 Sch. 8 para. 2
- s. 31(1)(aa) inserted by 2021 c. 22 s. 22(2)
- s. 32A inserted by 2021 c. 22 s. 22(3)
- s. 32A power to apply (with modifications) conferred by 2021 c. 22 s. 23(10)
- s. 33(1)(a) words inserted by 2021 c. 22 Sch. 8 para. 3
- s. 36A and cross-heading inserted by 2021 c. 22 s. 22(4)
- s. 55V(8) words substituted by S.I. 2013/1797 Sch. 1 para. 1(2)
- s. 71J and cross-heading inserted by 2021 c. 22 Sch. 8 para. 4
- s. 137FA(8) words inserted by 2015 c. 8 Sch. 2 para. 21(a)
- s. 137FA(8) words omitted by 2015 c. 8 Sch. 2 para. 21(b)
- s. 137FA(8) words substituted by 2015 c. 8 Sch. 2 para. 21(c)
- s. 142X(2) words substituted by 2015 c. 8 Sch. 2 para. 22(2)
- s. 142X(4) words substituted by 2015 c. 8 Sch. 2 para. 22(3)
- s. 177(6) words substituted by 2003 c. 44 Sch. 26 para. 54(2)
- s. 213(7) words added by 2009 c. 1 s. 170(2)
- s. 214(5A) inserted by 2021 c. 22 Sch. 8 para. 8
- s. 214A inserted by 2009 c. 1 s. 170(1)
- s. 218(1) words inserted by 2009 c. 1 s. 170(3)(a)
- s. 218(2)(b) words added by 2009 c. 1 s. 170(3)(b)
- s. 223A inserted by 2009 c. 1 s. 172
- s. 263 repealed by 2006 c. 46 Sch. 16
- s. 352(5) words substituted by 2003 c. 44 Sch. 26 para. 54(3)
- s. 367A inserted by 2021 c. 22 Sch. 8 para. 10
- s. 392(a) words inserted by 2021 c. 22 Sch. 8 para. 11(2)
- s. 392(b) words inserted by 2021 c. 22 Sch. 8 para. 11(3)
- s. 395(13) words substituted by 2021 c. 22 Sch. 8 para. 12(2)(a)
- s. 395(13)(f)-(g) word inserted by 2021 c. 22 Sch. 8 para. 12(2)(b)
- s. 395(13)(h)(i) inserted by 2021 c. 22 Sch. 8 para. 12(2)(c)
- s. 395(13)(bb)-(bbza) word inserted by 2021 c. 22 Sch. 8 para. 12(2)(b)
- s. 395(13)(bc)-(be) word inserted by 2021 c. 22 Sch. 8 para. 12(2)(b)
- s. 395(13)(za)-(bza) word inserted by 2021 c. 22 Sch. 8 para. 12(2)(b)
- s. 395(14) inserted by 2021 c. 22 Sch. 8 para. 12(3)
- s. 409 omitted by 2021 c. 22 Sch. 8 para. 13
- s. 418(5B) inserted by S.I. 2013/1797 Sch. 1 para. 1(4)(b)
- s. 418(5B)(c) omitted by S.I. 2013/1797 Sch. 2 para. 1
- s. 418(5C) inserted by 2021 c. 22 Sch. 8 para. 15
- s. 418(6) word substituted by S.I. 2013/1797 Sch. 1 para. 1(4)(c)
- Sch. 1ZA para. 24(c) and word inserted by 2021 c. 22 Sch. 8 para. 17
- Sch. 1ZA para. 32(c) and word inserted by 2021 c. 22 Sch. 8 para. 18
- Sch. 2A2B power to apply (with modifications) conferred by 2021 c. 22 s. 23(10)
- Sch. 2A power to apply (with modifications) conferred by 2021 c. 22 s. 23(10)
- Sch. 2B inserted by 2021 c. 22 Sch. 7

- Sch. 2B power to apply (with modifications) conferred by 2021 c. 22 s. 23(10)
- Sch. 3 para. 7A(aa) substituted by S.I. 2013/1797 Sch. 1 para. 1(5)(b)
- Sch. 3 para. 10A(aa) substituted by S.I. 2013/1797 Sch. 1 para. 1(5)(c)
- Sch. 3 para. 5(h) words omitted by S.I. 2013/1797 Sch. 1 para. 1(5)(a)
- Sch. 6 para. 2B(7) words substituted by S.I. 2013/1797 Sch. 1 para. 1(6)
- Sch. 17 para. 2(2) omitted by 2024 c. 13 Sch. 27 para. 5(b)
- Sch. 17 para. 14(3A) omitted by 2024 c. 13 Sch. 27 para. 5(c)
- Sch. 17 para. 1 words omitted by 2024 c. 13 Sch. 27 para. 5(a)

Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

- Act power to apply conferred (temp. until 15.5.2039) by 2014 c. 21 s. 79(4)
- Act power to apply conferred (temp. until 15.5.2039) by 2014 c. 21 s. 81(10)

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- Pt. 20C inserted by 2016 c. 14 s. 30(3)
- s. 31(1)(aa) inserted by 2021 c. 22 s. 22(2)
- s. 32A inserted by 2021 c. 22 s. 22(3)
- s. 32A power to apply (with modifications) conferred by 2021 c. 22 s. 23(10)
- s. 36A and cross-heading inserted by 2021 c. 22 s. 22(4)
- s. 71J and cross-heading inserted by 2021 c. 22 Sch. 8 para. 4
- s. 214(5A) inserted by 2021 c. 22 Sch. 8 para. 8
- s. 367A inserted by 2021 c. 22 Sch. 8 para. 10
- s. 395(13)(h)(i) inserted by 2021 c. 22 Sch. 8 para. 12(2)(c)
- s. 395(13)(bc)-(be) word inserted by 2021 c. 22 Sch. 8 para. 12(2)(b)
- s. 395(14) inserted by 2021 c. 22 Sch. 8 para. 12(3)
- Sch. 1ZA para. 32(c) and word inserted by 2021 c. 22 Sch. 8 para. 18
- Sch. 2A2B power to apply (with modifications) conferred by 2021 c. 22 s. 23(10)
- Sch. 2A power to apply (with modifications) conferred by 2021 c. 22 s. 23(10)
- Sch. 2B inserted by 2021 c. 22 Sch. 7
- Sch. 2B power to apply (with modifications) conferred by 2021 c. 22 s. 23(10)