SUPERVISION MANUAL (AMENDMENT) INSTRUMENT 2025

Powers exercised

A. The Financial Conduct Authority ("the FCA") makes this instrument under section 139A (Power of the FCA to give guidance) of the Financial Services and Markets Act 2000 ("the Act").

Commencement

B. This instrument comes into force on 3 October 2025.

Amendments to the Handbook

C. The Supervision manual (SUP) is amended in accordance with the Annex to this instrument.

Citation

D. This instrument may be cited as the Supervision Manual (Amendment) Instrument 2025.

By order of the Board
2 October 2025

Annex

Amendments to the Supervision manual (SUP)

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

6 Applications to vary and cancel Part 4A permission and to impose, vary or cancel requirements

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6.4 Applications for cancellation of permission

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When will the relevant regulator grant an application for cancellation of permission?

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6.4.22 G In deciding whether to cancel a *firm's Part 4A permission*, the ~~relevant regulator~~ <u>*FCA*</u> will take into account all relevant factors in relation to business carried on under that *permission*, including whether:

(1) there are unresolved, unsatisfied or undischarged complaints against the *firm* from any of its *customers*;

(2) the *firm* has complied with *CASS* 5.5.80R and *CASS* 7.11.34R (Client money: discharge of fiduciary duty) and *CASS* 7.11.50R (Client money: allocated but unclaimed client money) if it has ceased to hold *client money*; these *rules* apply to both repayment and transfer to a third party;

(3) the *firm* has ceased to hold or control *custody assets* in accordance with instructions received from *clients* and *COBS* 6.1.7R or article 49 of the *MiFID Org Regulation* (see ~~*COBS* 6.1ZA.9EU~~ <u>*COBS* 6.1ZA.9UK</u>) (Information concerning safeguarding of designated investments belonging to clients and client money);

(4) the *firm* has repaid all *client deposits*, if it is ceasing to carry on *regulated activities* including *accepting deposits*;

(5) the relevant regulator or another regulator has commenced an investigation against the *firm* or continuing enforcement action against the *firm*;

(6) there are any matters affecting the *firm* which should be investigated before a decision on whether the *firm* should have its *Part 4A permission* cancelled by the relevant regulator or be disciplined;

(7) the *firm* has unsettled or unexpired liabilities to *consumers*, for example, outstanding contracts (such as *deposits* or insurance liabilities);

(8) the *firm* has settled all its debts to the *appropriate regulator*; and

(9) the factors set out in *SUP* 6.4.19G apply.

The FCA ~~and the PRA~~ enforcement and investigation powers against a former authorised person

6.4.23 G If an application for cancellation of a *firm's Part 4A permission* has been granted and a *firm's* status as an *authorised person* has been withdrawn (see *SUP* 6.5) it will remain subject to certain investigative and enforcement powers as a former *authorised person*. These include:

…

(4) powers in Part XXVII of the *Act* (Offences) to prosecute offences under the Act and other specified provisions (see *EG* 12 (Prosecution of criminal offences))~~.~~;

(5) powers to take disciplinary action against *firms* by publishing statements of misconduct under section 205(1) of the *Act* (Public censure) or imposing financial penalties under section 206(1) of the *Act* (Financial penalties) (see *DEPP* 6 (Penalties)); and

(6) the power to require *firms* to make restitution under section 384 of the *Act* (Power of FCA or PRA to require restitution).

6.4.24 G ~~However, the following powers may not be used against former *authorised persons*:~~

~~(1) powers to take disciplinary action against *firms* by publishing statements of misconduct under section 205 of the *Act* (Public censure) or imposing financial penalties under section 206(1) of the *Act* (Financial penalties); and~~

~~(2) the power to require *firms* to make restitution under section 384 of the *Act* (Power of FCA or PRA to require restitution).~~ [deleted]

6.4.25 G ~~Consequently, the relevant regulator considers that it will have good reason not to grant a *firm's* application for cancellation of *permission* where:~~

~~(1) the *FCA* and/or the *PRA* proposes to exercise any of the powers described in *SUP* 6.4.24 G; or~~

~~(2) the *FCA* and/or the *PRA* has already begun disciplinary and/or restitution proceedings against the *firm* by exercising either or both of these powers against the *firm*.~~ [deleted]

6.4.26 G ~~The *FCA's* use of those powers is outlined in *DEPP* 6 (Penalties).~~ [deleted]

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