SOURCEBOOK

DEPP Decision Procedure and Penalties Manual

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CHAPTER

DEPP 1 Application and Purpose

Section : DEPP 1.1 Application and Purpose

Application

DEPP 1.1.1 G

This manual (*DEPP*) is relevant to *firms*, *approved persons* and other *persons*, whether or not they are regulated by the *FCA*. It sets out:

(1) the *FCA's* decision-making procedure for giving *statutory notices*. These are *warning notices*, *decision notices* and *supervisory notices* (*DEPP 1.2* to *DEPP 5*);

(1A) the *FCA's* decision-making procedure in cases where the *PRA* is required to seek the *FCA's* consent before approving an application (a) for *Part 4A permission*; (b) for the variation of a *Part 4A permission*; or (c) to perform a *controlled function* (see *DEPP 2.5.7A G*);

(1B) the *FCA's* decision-making procedure where it is deciding under *section 391(1)(c)* of the *Act* to publish information about the matter to which a *warning notice* relates (see *DEPP 3.2.14A G* to *DEPP 3.2.14H G* and *DEPP 5.1.8KG* to *DEPP 5.1.8QG*);

(2) the *FCA's* policy with respect to the imposition and amount of penalties under the *Act* (see *DEPP 6*);

(2A) the *FCA's* policy with respect to the imposition of suspensions, restrictions and disciplinary prohibitions, and the period for which those sanctions are to have effect, under the *Act* (see *DEPP 6A*);

(3) the *FCA's* policy with respect to the conduct of interviews by investigators appointed in response to a request from an overseas regulator (*DEPP 7*);

(4) the *FCA's* policy regarding the variation of an *SMF manager's* approval on the *FCA's* initiative under *section 63ZB* of the *Act* (see *DEPP 8*).

Purpose

DEPP 1.1.2 G

The purpose of *DEPP* is to satisfy the requirements of sections 63C(1), 63ZD(1), 69(1), 88C(1), 89S(1), 93(1), 124(1), 131FA, 131J(1), 169(9), 192N(1), 210(1), 312J(1), 345D(1) and 395 of the *Act* that the *FCA* publish the statements of procedure or policy referred to in *DEPP 1.1.1 G*.

Section : DEPP 1.2 Introduction to statutory notices

Statutory and related notices

DEPP 1.2.1 G

Section 395 of the *Act* (The *FCA's* and *PRA's* procedures) requires the *FCA* to publish a statement of its procedure for the giving of *statutory notices*. The procedure must be designed to secure, among other things, that the decision which gives rise to the obligation to give a *statutory notice* is taken by a person not directly involved in establishing the evidence on which that decision is based or by two or more persons who include a person not directly involved in establishing that evidence. The types of *statutory notices* and related notices, and the principal references to them in the *Act* and *DEPP* are set out in *DEPP 1.2.2 G*.

DEPP 1.2.2 G

Table: Summary of statutory and related notices

Notice	Description	Act reference	Further information
Warning notice	Gives the recipient details about action that the *FCA* proposes to take and about the right to make representations.	Section 387	*DEPP 2.2*
Decision notice	Gives the recipient details about action that the *FCA* has decided to take. The *FCA* may also give a further *decision notice* if the recipient of the original *decision notice* consents.	Section 388	*DEPP 2.3*
Notice of discontinuance	Identifies proceedings set out in a *warning notice* or *decision notice* and which are not being taken or are being discontinued.	Section 389	*DEPP 1.2.4 G* and *DEPP 3.2.26 G*
Final notice	Sets out the terms of the action that the *FCA* is taking.	Section 390	*DEPP 1.2.4 G*
Supervisory	Gives the	Section 395(13)	*DEPP 2.2* and

Notice	Description	Act reference	Further information
notice	recipient details about action that the *FCA* has taken or proposes to take, for example to vary a *Part 4A permission*.		*DEPP 2.3*

DEPP 1.2.3 G In *DEPP* the *supervisory notice* about a matter first given to the recipient is referred to as the "first *supervisory notice*" and the *supervisory notice* given after consideration of any representations is referred to as the "second *supervisory notice*".

DEPP 1.2.4 G The requirement in *section 395* of the *Act* to publish a procedure for the giving of notices does not extend to the giving of a *notice of discontinuance* or a *final notice*. Neither of these notices is a *statutory notice* for the purposes of *DEPP*; nor is the decision to give such a notice a *statutory notice associated decision*.

Decisions relating to applications for authorisation or approval made to the PRA

DEPP 1.2.4A G *Section 395* of the *Act* also requires the *FCA* to publish a statement of its procedure for decisions which give 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* as follows:

(1) Section 387(1A) provides that where the *FCA* proposes to refuse consent for the purposes of *section 55F*, *55I* or *59* of the *Act*, or to give conditional consent as mentioned in section 55F(5), 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) Section 388(1A) provides that where the *FCA* has decided to refuse consent for the purposes of *section 55F*, *55I* or *59* of the *Act*, or to give conditional consent as mentioned in section 55F(5), 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.

DEPP 1.2.4B G Where an application for *Part 4A permission* is made to the *PRA* as the appropriate regulator (*section 55A(2)(a)* of the *Act*), the *PRA* may only give permission with the consent of the *FCA* (*section 55F* of the *Act*). *FCA* consent can be conditional on the *PRA* imposing limitations or specifying the permission is for certain regulated activities only.

DEPP 1.2.4C G Where an application to vary a *Part 4A permission* is made to the *PRA* as the appropriate regulator (*section 55A(2)(a)* of the *Act*), the *PRA* may only give permission with the consent of the *FCA* (*section 55I* of the *Act*). The *FCA* may withhold its consent to a proposed variation if it appears to it that it is desirable to do so in order to advance one or more of its operational objectives. *FCA* consent can be conditional on the *PRA* imposing limitations, or

the *PRA* specifying the permission is for certain regulated activities only.

DEPP 1.2.4D G Where an application to perform a *controlled function* is made to the *PRA* as the appropriate regulator, the *PRA* can only approve a person to perform a *controlled function* with the consent of the *FCA* (*section 59(4)(b)* of the *Act*). Where the application is a *relevant senior management application*, the *FCA's* consent can be conditional on the *PRA* imposing conditions, or the *PRA* giving approval only for a limited period.

DEPP 1.2.4E G The procedure must be designed to secure, among other things, that the decision is taken by a person not directly involved in establishing the evidence on which that decision is based, or by two or more persons who include a person not directly involved in establishing that evidence.

The decision makers

DEPP 1.2.5 G Decisions on whether to give a *statutory notice* will be taken by a 'decision maker'. The *FCA's* assessment of who is the appropriate decision maker is subject to the requirements of *section 395* of the *Act* and will depend upon the nature of the decision, including its complexity, importance and urgency. References to the 'decision maker' in *DEPP* are to:

(1) *FCA* staff under *executive procedures*; or

(2) the *Regulatory Decisions Committee* (RDC); or

(3) *FCA* staff under the *settlement decision procedure*.

DEPP 1.2.6 G The decision maker will also take decisions associated with a *statutory notice* (a '*statutory notice associated decision*'). *Statutory notice associated decisions* include decisions:

(1) to set or extend the period for making representations;

(2) on whether the *FCA* is required to give a copy of the *statutory notice* to any third party and, if so, the period for the third party to make representations; and

(3) on whether to refuse access to *FCA* material, relevant to the relevant *statutory notice*, under *section 394* of the *Act*.

DEPP 1.2.6A G *Statutory notice associated decisions* do not include decisions relating to the publication of a *statutory notice*.

DEPP 1.2.7 G In each case, the decision maker will make decisions by applying the relevant statutory tests, having regard to the context and nature of the matter, that is, the relevant facts, law, and *FCA* priorities and policies (including on matters of legal interpretation).

DEPP 1.2.8 G The *FCA* will make and retain appropriate records of those decisions, including records of meetings and the representations (if any) and materials considered by the decision makers.

DEPP 1.2.9 G *DEPP 2* to *DEPP 5* set out:

(1) which decisions require the giving of statutory notices and who takes them (*DEPP*

2);

(2) the nature and procedures of the *RDC* (*DEPP 3*);

(3) the procedure for decision making by *FCA* staff under *executive procedures* (*DEPP 4*);

(4) the procedure for decision making by *FCA* staff under the *settlement decision procedure* (*DEPP 5*).

CHAPTER

DEPP 2 Statutory notices and the allocation of decision making

Section : DEPP 2.1 Statutory notices

When statutory notices are required

DEPP 2.1.1 G The circumstances in which the *warning notice* and *decision notice* procedure apply are set out in *DEPP 2 Annex 1*.

DEPP 2.1.2 G The circumstances in which the *supervisory notice* procedure apply are set out in *DEPP 2 Annex 2*.

DEPP 2.1.3 G *DEPP 2 Annex 1* and *DEPP 2 Annex 2* identify the provisions of the *Act* or other enactment giving rise to the need for the relevant notice, and whether the decision maker is the *RDC* or *FCA* staff under *executive procedures* in each case.

Consistent decision making

DEPP 2.1.4 G *FCA* staff responsible for the taking of a *statutory notice* decision under *executive procedures* may refer the matter to the *RDC* for the *RDC* to decide whether to give the statutory notice if:

(1) the *RDC* is already considering, or is shortly to consider, a closely related matter; and

(2) the relevant *FCA* staff believe, having regard to all the circumstances, that the *RDC* should have responsibility for the decision. The relevant considerations might include:

(a) the desirability of consistency in *FCA* decision making;

(b) potential savings in the time and cost of reaching a decision;

(c) the factors identified in *DEPP 3.3.2 G* as relevant to an assessment of whether a decision should be regarded as straightforward.

DEPP 2.1.4A G If a *statutory notice* decision is referred to the *RDC* which would otherwise be taken by *executive procedures* in accordance with *DEPP 2.1.4G*, the *RDC* will follow the procedure as set out at *DEPP 3.2*.

Section : DEPP 2.2 Warning notices and first supervisory notices

DEPP 2.2.1 G

If *FCA* staff consider that action requiring a *warning notice* or first *supervisory notice* is appropriate, they will recommend to the relevant decision maker that the notice be given.

DEPP 2.2.2 G

For first *supervisory notices*, the *FCA* staff will recommend whether the action should take effect immediately, on a specified date, or when the matter is no longer open to review (see *DEPP 2.2.5 G*).

DEPP 2.2.3 G

The decision maker will:

(1) consider whether the material on which the recommendation is based is adequate to support it; the decision maker may seek additional information about or clarification of the recommendation, which may necessitate additional work by the relevant *FCA* staff;

(2) satisfy itself that the action recommended is appropriate in all the circumstances;

(3) decide whether to give the notice and the terms of any notice given.

DEPP 2.2.4 G

If the *FCA* decides to take no further action and the*FCA* had previously informed the *person* concerned that it intended to recommend action, the *FCA* will communicate this decision promptly to the *person* concerned.

DEPP 2.2.5 G

A matter is open to review (as defined in section 391(8) (Publication) of the *Act*) (in relation to a *supervisory notice* which does not take effect immediately or on a specified date) when:

(1) the period during which any *person* may refer a matter to the *Tribunal* is still running; or

(2) the matter has been referred to the *Tribunal* but has not been dealt with; or

(3) 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

(4) such an appeal has been brought but has not been determined.

Section : DEPP 2.3 Decision notices and second supervisory notices

Approach of decision maker

DEPP 2.3.1 G

If a decision maker is asked to decide whether to give a *decision notice* or second *supervisory notice*, it will:

(1) review the material before it;

(2) consider any representations made (whether written, oral or both) and any comments by *FCA* staff or others in respect of those representations;

(3) decide whether to give the notice and the terms of any notice given.

DEPP 2.3.1A G

Notwithstanding *DEPP 2.3.1G(2)*, *FCA* staff under *executive procedures* who are asked to decide whether to give a *decision notice* or second *supervisory notice* will consider oral representations only in exceptional circumstances where they determine that prohibiting oral representations are likely to impact on the fairness of the decision. This may include (but is not limited to) circumstances where:

(1) the subject of the *decision notice* or second *supervisory notice* is not reasonably able to make written representations due to relevant personal circumstances; and/or

(2) oral representations are required due to the urgency or complexity of the matter to be decided.

Default procedures

DEPP 2.3.2 G

If the *FCA* receives no response or representations within the period specified in a *warning notice*, the decision maker may regard as undisputed the allegations or matters in that notice and a *decision notice* will be given accordingly. A *person* who has received a *decision notice* and has not previously made any response or representations to the *FCA*, may nevertheless refer the *FCA's* decision to the *Tribunal*.

DEPP 2.3.3 G

If the *FCA* receives no response or representations within the period specified in a first *supervisory notice*, the *FCA* will not give a second *supervisory notice*. The outcome depends on when the relevant action took or takes effect (as stated in the notice). If the action:

(1) took effect immediately, or on a specified date which has already passed, it continues to have effect (subject to any decision on a referral to the *Tribunal*); or

(2) was to take effect on a specified date which is still in the future, it takes effect on that date (subject to any decision on a referral to the *Tribunal*); or

(3) was to take effect when the matter was no longer *open for review*, it takes effect when the period to make representations (or the period for referral to the *Tribunal*, if longer) expires, unless the matter has been referred to the *Tribunal*.

DEPP 2.3.4 G

In exceptional cases, the decision maker may permit representations from a *person* who has received a *decision notice* (or a second *supervisory notice*) or against whom action,

detailed in a first *supervisory notice*, has taken effect, and shows on reasonable grounds that he did not receive the *warning notice* (or first *supervisory notice*), or that he had reasonable grounds for not responding within the specified period. In these circumstances, the decision maker may decide to give a further *decision notice* (or a written notice or a *supervisory notice*).

Further decision notice

DEPP 2.3.5 G

Under *section 388(3)* of the *Act*, following the giving of a *decision notice* but before the *FCA* takes action to which the *decision notice* relates, the *FCA* may give the *person* concerned a further *decision notice* relating to different action concerning the same matter. Under *section 388(4)* of the *Act*, the *FCA* can only do this if the *person* receiving the further *decision notice* gives its consent. In these circumstances the following procedure will apply:

(1) *FCA* staff will recommend to the decision maker that a further *decision notice* be given, either before or after obtaining the *person's* consent;

(2) the decision maker will consider whether the action proposed in the further *decision notice* is appropriate in the circumstances;

(3) if the decision maker decides that the action proposed is inappropriate, he will decide not to give the further *decision notice*. In this case, the original *decision notice* will stand and the *person's* rights in relation to that notice will be unaffected. If the *person's* consent has already been obtained, the *FCA* will notify the *person* of the decision not to give the further *decision notice*;

(4) if the decision maker decides that the action proposed is appropriate then, subject to the *person's* consent being (or having been) obtained, a further *decision notice* will be given;

(5) a *person* who had the right to refer the matter to the *Tribunal* under the original *decision notice* will have that right under the further *decision notice*. The time period in which the reference to the *Tribunal* may be made will begin from the date on which the further *decision notice* is given.

DEPP 2.3.6 G

For the purpose of establishing whether the *person* receiving the further *decision notice* gives its consent, the *FCA* will normally require consent in writing.

Section : DEPP 2.4 Third party rights and access to FCA material

DEPP 2.4.1 G

Sections 393 (Third party rights) and 394 (Access to *FCA* material) of the *Act* confer additional procedural rights relating to third parties and to disclosure of *FCA* material. These rights apply in certain *warning notice* and *decision notice* cases referred to in *section 392* of the *Act* (Application of sections 393 and 394). The cases in which these additional rights apply are identified in *DEPP 2 Annex 1* by asterisks; these are generally cases in which the *warning notice* or *decision notice* is given on the *FCA's* own initiative rather than in response to an application or notification made to the *FCA*.

Section : DEPP 2.5 Provision for certain categories of decision

Purpose

DEPP 2.5.1 G Some of the decisions referred to in *DEPP 2 Annex 1* and *DEPP 2 Annex 2* share similar characteristics. For convenience, *DEPP 2.5* sets out some of these and the particular features they have.

Different decision makers

DEPP 2.5.2 G In some circumstances, the decision to give a *warning notice* and a *decision notice* in a particular matter will not be taken by the same decision maker. For example, in enforcement cases the *RDC* might take the decision to give a *warning notice*, but the decision to give a *decision notice* could be taken by the *settlement decision makers* on the basis that the *person* concerned does not contest the action proposed (see *DEPP 5*).

Decisions relating to applications for FCA authorisation or approval

DEPP 2.5.3 G *FCA* staff under *executive procedures* will take the decision to give a *warning notice* if the *FCA* proposes to:

(1) refuse an application for a *Part 4A permission* or to refuse an application to cancel a *Part 4A permission*;

(2) impose a limitation or a requirement which was not applied for, or specify a narrower description of regulated activity than that applied for, on the grant of a *Part 4A permission*;

(3) refuse an application to vary a *Part 4A permission*, or to restrict a *Part 4A permission* on the grant of a variation (by imposing a limitation or a requirement which was not applied for or by specifying a narrower description of regulated activity than that applied for);

(3A) refuse an application to vary a *requirement* imposed under *section 55L* of the *Act*, or to impose a new *requirement*;

(3B) exercise its power under *section 55L(1)* of the *Act* in connection with an application to the *PRA* for a *Part 4A permission* or the variation of a *Part 4A permission*;

(4) refuse *approved person* status;

(4A) grant a *relevant senior manager application*, subject to any conditions or only for a limited period;

(4B) refuse an application to vary an approval under *section 59* of the *Act* that was granted subject to conditions;

(5) refuse an application for a *small e-money issuer certificate* (see *ELM 8* (Small e-money issuers));

(6) [deleted]

DEPP 2.5.4 G If no representations are made in response to a *warning notice* proposing the action set out

at *DEPP 2.5.3 G* within the period specified, a *decision notice* will be given accordingly: see *DEPP 2.3.2 G* (Default procedures).

DEPP 2.5.5 G

If representations are made in response to a *warning notice* proposing any of the actions set out at *DEPP 2.5.3G*, then *FCA* staff under *executive procedures* will take the decision to give a *decision notice*.

Decisions relating to applications for PRA authorisation or approval

DEPP 2.5.6A G

FCA staff under *executive procedures* will take the decision where the *FCA* is proposing or deciding to:

(1) refuse its consent to the granting by the *PRA* of an application for a *Part 4A permission*, or give its consent subject to conditions;

(2) refuse its consent to the granting by the *PRA* of an application for the variation of a *Part 4A permission*, or give its consent subject to conditions; or

(3) refuse its consent to the granting by the *PRA* of an application to perform a *controlled function*, or give its consent subject to conditions.

FCA's own-initiative powers

DEPP 2.5.7 G

FCA staff under *executive procedures* will take the decision to give a *supervisory notice* exercising the *FCA's own-initiative powers* (by removing a regulated activity, by imposing a limitation or requirement or by specifying a narrower description of regulated activity), including where the action involves a fundamental variation or requirement (see *DEPP 2.5.8 G*).

DEPP 2.5.7A G

FCA staff under *executive procedures* will be the decision maker when a *firm* agrees not to contest the *FCA's* exercise of its *own-initiative powers* and when the exercise of the *FCA's own-initiative powers* is contested by a *firm*.

DEPP 2.5.7B G

Any decision made by *FCA* staff under *executive procedures* to give a *supervisory notice* exercising the *FCA's own-initiative powers* (by removing a *regulated activity*, by imposing a limitation or requirement or by specifying a narrower description of *regulated activity*) which involves a fundamental variation or requirement (see *DEPP 2.5.8G*) will be taken by a member of *FCA* staff of at least Director level (which may include an acting Director).

FCA's own-initiative powers

DEPP 2.5.7C G

FCA staff under executive procedures will take the decision to give a *supervisory notice* exercising the own-initiative power to give a *relevant Part 5A direction* including where the action involves a variation or withdrawal of that direction.

FCA's own-initiative powers

DEPP 2.5.8 G

A fundamental variation or requirement means:

(1) removing a type of activity or *investment* from the *firm's permission*; or

(2) refusing an application to include a type of activity or *investment*; or

(3) [deleted]

(4) imposing or varying an assets requirement (as defined in section 55P of the *Act* (Prohibitions and restrictions)), or refusing an application to vary or cancel such a requirement.

The FCA's power to vary SMF manager's approval on its own initiative

DEPP 2.5.8A G *FCA* staff under *executive procedures* will take the decision under *section 63ZB* of the *Act* to vary an approval given to an *SMF manager* (by imposing a condition, varying a condition, removing a condition or limiting the period for which the approval is to have effect).

DEPP 2.5.8B G *FCA* staff under *executive procedures* will be the decision maker when all of the interested parties (as defined by *section 63ZC(6)* of the *Act*) agree not to contest the *FCA's* exercise of its power under *section 63ZB* of the *Act* and when the exercise of such powers is contested by any of the interested parties (as so defined).

DEPP 2.5.8C G The *FCA's* statement of policy on the use of the power to vary an *SMF manager's* approval on its own initiative is set out in *DEPP 8*.

Decisions relating to listing and public offers of securities

DEPP 2.5.9 G *FCA* staff under *executive procedures* will take the following *statutory notice* decisions:

(1) the refusal of an application for *listing* of securities;

(2) the suspension of *listing* on the *FCA's* own initiative or at the request of the *issuer*;

(3) [deleted]

(4) the discontinuance of *listing* of securities at the *issuer's* request;

(5) the exercise of any of the powers in sections 87JA,*87K*,*87L* or 87LA of the *Act* in relation to a *person*, or in relation to a *person* with immediate effect;

(6) [deleted]

(7) the refusal of an application by an *issuer* for cancellation of a suspension of *listing* made under *section 77* of the *Act*; and

(8) the exercise of any of the powers in regulations 34, 35, 36 or 37 of the *Public Offers and Admissions to Trading Regulations* in relation to a *person*, or in relation to a *person* with immediate effect.

DEPP 2.5.10 G *FCA* staff under *executive procedures* will take *statutory notice decisions* relating to the discontinuance of listing of securities on the *FCA's* own initiative.

DEPP 2.5.11 G If securities have matured or otherwise ceased to exist the *FCA* will remove any reference to them from the official list. This is a purely administrative process, and not a

discontinuance of listing in the sense used in *Part 6* of the *Act*.
Decisions relating to imposition of limitations or other restrictions of sponsors and primary information providers.

Decisions relating to imposition of limitations or other restrictions of sponsors and primary information providers

DEPP 2.5.11A G

Under section 88(4)(aa) of the *Act*, if the *FCA* proposes to impose limitations or other restrictions on the services to which a *sponsor's* approval relates, it must give him a *warning notice*. If, after considering any representations made in response to the *warning notice*, the *FCA* decides to impose limitations or other restrictions on the services to which a *sponsor's* approval relates, it must give him a *decision notice*. *FCA* staff under *executive procedures* will take the decision to give the *warning notice* and *decision notice* where the *sponsor* has requested or otherwise agrees to the limitation or other restriction and where the *sponsor* contests the imposition of the limitation or other restriction.

DEPP 2.5.11B G

If the *FCA* is proposing or deciding to refuse a *sponsor's* application for the withdrawal or variation of a limitation or other restriction on the services to which a *sponsor's* approval relates under *section 88(8)(d)* of the *Act*, the decision maker will be *FCA* staff under *executive procedures*.

DEPP 2.5.11C G

Under *section 89P(5)(b)* of the *Act*, if the *FCA* proposes to impose limitations or other restrictions on the dissemination of *regulated information* to which a *primary information provider's* approval relates, it must give him a *warning notice*. If, after considering any representations made in response to the *warning notice*, the *FCA* decides to impose limitations or other restrictions on the dissemination of *regulated information* to which a *primary information provider's* approval relates, it must give him a *decision notice*. *FCA* staff under *executive procedures* will take the decision to give the *warning notice* and *decision notice* where the *primary information provider* has requested or otherwise agrees to the limitation or other restriction and where the *primary information provider* contests the imposition of the limitation or other restriction.

DEPP 2.5.11D G

Under *section 89P(9)(d)* of the *Act*, if the *FCA* is proposing or deciding to refuse a *primary information provider's* application for the withdrawal or variation of a limitation or other restriction on the dissemination of *regulated information* to which a *primary information provider's* approval relates, the decision maker will be *FCA* staff under *executive procedures*.

Modified procedures in collective investment scheme and certain other cases

DEPP 2.5.12 G

FCA staff will usually inform or discuss with the *person* concerned any action they contemplate before they recommend to *FCA* staff under *executive procedures* that the *FCA* takes formal action. The *FCA* may also be invited to exercise certain powers by the *persons* who would be affected by the exercise of those powers. In these circumstances such decisions, including those referred to in *DEPP 2.5.13G*, will be taken by *FCA* staff under

executive procedures if the *person* concerned has agreed to or accepted the action proposed and if the proposed action is not agreed.

DEPP 2.5.13 G

The decisions referred to in *DEPP 2.5.12 G* are:

(1) the decision to give a *supervisory notice* pursuant to section 259(3), (8) or 9(b) (directions on authorised unit trust schemes); section 268(3), 7(a) or 9(a) (directions in respect of recognised overseas schemes); or section 282(3), (6) or (7)(b) (directions in respect of relevant recognised schemes) of the *Act*;

(1A) the decision to give a *supervisory notice* pursuant to section 261Z1(3), (8) or (9)(b) (Procedure on giving directions under section 261X or 261Z and varying them on FCA's own initiative) of the *Act*;

(1B) the decision to give a *supervisory notice* pursuant to section 271M(3), (6) or (7) of the *Act*;

(2) the decision to give a *warning notice* or *decision notice* pursuant to section 280(1) or (2)(a) (revocation of recognised investment scheme) or section 282B (public censure) of the *Act*;

(3) the decision to give a *supervisory notice* in accordance with regulation 27(3), (8) or 9(b) of the *OEIC Regulations*;and

(4) the decision to give a *warning notice* or *decision notice* pursuant to regulation 24 or regulation 28 of the *OEIC Regulations*.

(4A) the decision to give a *warning notice* or *decision notice* pursuant to *section 255* or *260* of the *Act*;

(4B) the decision to give a *warning notice* or *decision notice* pursuant to *section 261V* or *261Z2* of the *Act*;

(4C) the decision to give a *warning notice* or *decision notice* pursuant to section 271N(2) or (3), or 271R(3) or (4)(a) of the *Act*.

(5) [deleted]

(6) [deleted]

DEPP 2.5.14 G

In determining whether there is agreement to or acceptance of the action proposed, an indication by the following *persons* will be regarded as conclusive:

(1) in relation to an *authorised unit trust scheme*, the *manager* and *trustee*;

(1A) in relation to an *authorised contractual scheme*, the *authorised contractual scheme manager* and *depositary*;

(2) in relation to an *ICVC*, the *directors* and the *depositary*;

(3) in relation to a *recognised scheme*, the *operator* and, if any, the *trustee*or *depositary*.

DEPP 2.5.15 G

A decision to give a *warning notice* or *decision notice* refusing an application for an *authorisation order* declaring a *scheme* to be an *AUT*, *ACS* or *ICVC* or an *AUT*, *ACS* or *ICVC* to be a money market fund will be taken by *FCA* staff under *executive procedures*, including if the application is by an *authorised fund manager* who is not the *operator* of an

existing *AUT*, *ACS* or *ICVC*.

Notices under other enactments

DEPP 2.5.17 G

The *FCA* expects to adopt a procedure in respect of notices under enactments other than the *Act* which is similar to that for *statutory notices* under the *Act*, but which recognises any differences in the legislative framework and requirements. *DEPP 2 Annex 1* and *DEPP 2 Annex 2* therefore identify notices to be given pursuant to other enactments and the relevant *FCA* decision maker.

DEPP 2.5.18 G

Some of the distinguishing features of notices given under enactments other than the *Act* are as follows:

(1) [deleted]

(2) [deleted]

(3) *Friendly Societies Act 1992,* section 58A: The *warning notice* and *decision notice* must set out the terms of the direction which the *FCA* proposes or has decided to give and any specification of when the friendly society is to comply with it. A *decision notice* given under section 58A(3) must give an indication of the society's right, given by section 58A(5), to have the matter referred to the *Tribunal*. A *decision notice* under section 58A(3) may only relate to action under the same section of the *Friendly Societies Act 1992* as the action proposed in the *warning notice*. A *final notice* under *section 390* of the *Act* must set out the terms of the direction and state the date from which it takes effect. *Section 392* of the *Act* is to be read as if it included references to a *warning notice* given under section 58A(1) and a *decision notice* given under section 58A(3).

(4) The *FCA* is only required to give a single *supervisory notice* under Regulations 28 and 36 of the *MiFI Regulations*. No representations can be made to the *FCA* after the issuing of this notice, but the matter can be referred to the *Tribunal*.

(5) The decision to give a written notice under *section 55XA(1)* of the *Act* will be taken by *FCA* staff under *executive procedures*. If the applicant decides to seek a review, by the *FCA*, of that decision, they can make representations to *FCA* staff under *executive procedures*. If *FCA* staff under *executive procedures* then decide under *section 55XA(5)* of the *Act* to confirm the first decision, or take a different decision of the type described by *section 55XA(1)* of the *Act*, it must give the applicant a written notice.

(5A) The decision to impose or vary a direction under regulation 74C of the *Money Laundering Regulations* will be taken by *FCA* staff under *executive procedures*, including if the direction involves a fundamental imposition or variation. *FCA* staff under *executive procedures* will be the decision maker when a *cryptoasset business* does not contest the direction and when the direction is contested by a *cryptoasset business*. A fundamental imposition or variation of a direction means:

(a) preventing a *cryptoasset business* from undertaking *cryptoasset business*; or

(b) imposing or varying a direction in relation to the *cryptoasset business*'

assets, or refusing an application to vary or cancel such a direction.

(6) *CRA Regulation*: Where the *FCA* is exercising its powers to refuse an application for registration under articles 16 or 17, or to refuse an application made by a *credit rating agency* to withdraw its registration under article 20(3), it must give a written notice in accordance with article 18(2). In these circumstances the decision to give a written notice under article 18(2) will be taken by *FCA* staff under *executive procedures*.

Where the *FCA* is exercising its powers to withdraw the registration of a *credit rating agency* on the *FCA's* own initiative under article 20(1) or (2), or to give a direction under article 24(1), it must give a written notice in accordance with article 18(2). In these circumstances the decision to give a written notice under article 18(2) will be taken by *FCA* staff under *executive procedures*.

Upon receipt of a written notice under article 18(2) the *credit rating agency* may decide to seek a review or to refer the matter directly to the *Tribunal* under article 18A.

If the *credit rating agency* decides to seek a review of the decision set out in the article 18(2) notice, they can make representations to *FCA* staff under *executive procedures*. If *FCA* staff under *executive procedures* decide to maintain the original decision, the *credit rating agency* may refer the decision to do so to the *Tribunal*.

(7) *Trade Repositories (EU Exit) Regulations*: Where the *FCA* is exercising its powers to refuse an application for registration of a *trade repository* under article 58 of *EMIR* or to refuse an application made by a *trade repository* to withdraw its registration under article 71(3) of *EMIR*, it must give a written notice in accordance with article 71a(6) of *EMIR*. In these circumstances the decision to give a written notice under article 71a(6) will be taken by *FCA* staff under *executive procedures*.

Where the *FCA* is exercising its powers to withdraw the registration of a trade repository on the *FCA's* own initiative under article 71(1) or (2), it must give a written notice in accordance with article 71a(6). In these circumstances the decision to give a written notice under article 71a(6) will be taken by *FCA* staff under *executive procedures*.

Upon receipt of a written notice under article 71a(6) the credit rating agency may decide to seek a review or to refer the matter directly to the *Tribunal* under article 71b.

If the *trade repository* decides to seek a review of the decision set out in the article 71a(6) notice, they can make representations to *FCA* staff under *executive procedures*. If *FCA* staff under *executive procedures* decide to maintain the original decision, the trade repository may refer the decision to do so to the Tribunal.

(8) The *Securitisation Regulations 2024*: where the *FCA* exercises its powers to refuse an application for registration of a *securitisation repository* under regulation 16, or to refuse an application made by a *securitisation repository* to withdraw its registration under regulation 19(3), it must give a written notice in accordance with regulation 20(5). In these circumstances, the decision to give a written notice under regulation 20(5) will be taken by *FCA* staff under *executive procedures*.

Where the *FCA* exercises its powers to withdraw the registration of a *securitisation repository* on its own initiative under regulation 19(1) or (2), it must give a written notice in accordance with regulation 20(5)(b). In these circumstances, the decision to give a written notice under regulation 20(5)(b) will be taken by *FCA* staff under *executive procedures*.

Upon receipt of a written notice under regulation 20, the *securitisation repository* may decide to seek a review or to refer the matter to the *Tribunal*. If the *securitisation repository* decides to seek a review of the decision set out in the regulation 20 notice, they can make representations to *FCA* staff under *executive procedures*. If *FCA* staff under *executive procedures* decide to maintain the original decision, the *securitisation repository* may refer the decision to do so to the *Tribunal*.

(9) *Securities Financing Transactions Regulation* (as amended by the *SFTR (EU Exit) Regulations)*: where the *FCA* is exercising its powers to refuse an application for registration of a *trade repository* under article 7 of the *Securities Financing Transactions Regulation* or to refuse an application made by a *trade repository* to withdraw its registration under article 10(3), it must give a written notice in accordance with article 10a(6). In these circumstances the decision to give a written notice under article 10a(6) will be taken by *FCA* staff under *executive procedures*.

Where the *FCA* is exercising its powers to withdraw the registration of a *trade repository* on the *FCA's* own initiative under article 10(1) or 10(2), it must give a written notice in accordance with article 10a(6)(b). In these circumstances, the decision to give a written notice under article 10a(6)(b) will be taken by *FCA* staff under *executive procedures*.

Upon receipt of a written notice under article 10 the *trade repository* may decide to seek a review or to refer the matter directly to the *Tribunal* under article 10b.

If the *trade repository* decides to seek a review of the decision set out in the article 10 notice, they can make representations to *FCA* staff under *executive procedures*.

If *FCA* staff under *executive procedures* decide to maintain the original decision, the trade repository may refer the decision to do so to the *Tribunal*.

(10) The Financial Services and Markets Act 2000 (Cryptoassets) Regulations 2026 (SI 2026/102):

(a) Where the *FCA* exercises its power under regulation 55(3) (Application of the cryptoasset transitional provision) to direct that regulation 56 (Temporary exemption relating to pre-existing contracts) will apply to a *person* whose application for a relevant cryptoasset *permission* has been refused by the *FCA* but is open to review, the *FCA* must give a *decision notice* to the *person* in accordance with regulation 55(6). In these circumstances, the decision to exercise the power in regulation 55(3) will be taken by *FCA* staff under *executive procedures*.

(b) Where the *FCA* decides to exercise its power under regulation 55(3) to give a direction, a *person* to whom the direction is given may refer the decision to exercise the power to the *Tribunal* under regulation 55(7).

Section : DEPP 2 Annex 1 Warning notices and decision notices under the Act and certain other enactments

DEPP 2 Annex 1 G

Note: Third party rights and access to *FCA* material apply to the powers listed in this Annex where indicated by an asterisk * (see *DEPP 2.4*)

Section of the Act	Description	Handbook reference	Decision maker
55X(1)(a) and(b)	when the *FCA* is proposing to grant an application for a *Part 4A permission* with a *limitation* or a *requirement* which was not applied for, or with a narrower description of *regulated activity* than that applied for	*SUP 6*	*Executive procedures*
55X(1)(c) and (d)	when the *FCA* is proposing to grant an application to vary a *firm's Part 4A permission* but, other than as part of the application, to restrict the *Part 4A permission* (either by imposing a *limitation* or *requirement* which was not applied for or by specifying a narrower description of *regulated activity* than that applied for)		*Executive procedures*
55X(1)(e)	when the *FCA* is proposing to exercise its power under section 55L(1) in connection with an application to the *PRA* for a *Part 4A permission* or the		*Executive procedures*

Section of the Act	Description	Handbook reference	Decision maker
	variation of a *Part 4A permission*		
55X(1)(f)	when the *FCA* is proposing to grant an application for *approver permission* but subject to terms which were not sought in the application	*SUP 6A*	*Executive procedures*
55X(1)(g)	when the *FCA* is proposing to grant an application to vary the terms of a *firm's approver permission* but making different changes to those sought in the application		*Executive procedures*
55X(2)	when the *FCA* is proposing to refuse an application for a *Part 4A permission*		*Executive procedures*
55X(2)	when the *FCA* is proposing to refuse an application to vary a *firm's Part 4A permission*	*SUP 6*	*Executive procedures*
55X(2)	when the *FCA* is proposing to refuse an application to cancel a *firm's Part 4A permission*	*SUP 6*	*Executive procedures*
55X(2)	when the *FCA* is proposing to refuse an application for the variation of a *requirement* imposed under section 55L or for the imposition of a new *requirement*		*Executive procedures*

Section of the Act	Description	Handbook reference	Decision maker
55X(2)	when the *FCA* is proposing to refuse an application for *approver permission*	*SUP 6A*	*Executive procedures*
55X(2)	when the *FCA* is proposing to refuse an application for the variation or cancellation of a *firm's approver permission*		*Executive procedures*
55X(4)(a) 55X(4)(b)	when the *FCA* is deciding to grant an application for a *Part 4A permission* with a *limitation* or a *requirement* which was not applied for, or with a narrower description of *regulated activity* than that applied for		*Executive procedures*
55X(4)(c) 55X(4)(d)	when the *FCA* is deciding to grant an application to vary a *firm's Part 4A permission* but, other than as part of the application, to restrict the *Part 4A permission* (either by imposing a *limitation* or *requirement* which was not applied for or by specifying a narrower description of *regulated activity* than that applied for)	*SUP 6*	*Executive procedures*
55X(4)(e)	when the *FCA* is deciding to exercise its power under section 55L(1) in		*Executive procedures*

Section of the Act	Description	Handbook reference	Decision maker
	connection with an application to the *PRA* for a *Part 4A permission* or the variation of a *Part 4A permission*		
55X(4)(ea)	when the *FCA* is deciding to grant an application for *approver permission* but subject to terms which were not sought in the application	*SUP 6A*	*Executive procedures*
55X(4)(eb)	when the *FCA* is deciding to grant an application to vary the terms of a *firm's approver permission* but making different changes to those sought in the application		*Executive procedures*
55X(4)(f)	when the *FCA* is deciding to refuse an application for a *Part 4A permission*		*Executive procedures* See *DEPP 2.5.5 G*
55X(4)(f)	when the *FCA* is deciding to refuse an application to vary a *firm* 's *Part 4A permission*	*SUP 6*	*Executive procedures*
55X(4)(f)	when the *FCA* is deciding to refuse an application to cancel a *firm's Part 4A permission*	*SUP 6*	*Executive procedures* See *DEPP 2.5.5 G*
55X(4)(f)	When the *FCA* is deciding to refuse an application for the variation of a *requirement* imposed under section 55L or for		*Executive procedures*

Section of the Act	Description	Handbook reference	Decision maker
	the imposition of a new *requirement*		
55X(4)(f)	when the *FCA* is deciding to refuse an application for *approver permission*	*SUP 6A*	*Executive procedures*
55X(4)(f)	when the *FCA* is deciding to refuse an application for the variation or cancellation of a *firm's approver permission*		*Executive procedures*
55Z(1) 55Z(2)	when the *FCA* is proposing or deciding to cancel a *firm* 's *Part 4A permission* or *approver permission* otherwise than at the *firm's* request *		*Executive procedures*
57(1)/(3)	when the *FCA* is proposing or deciding to make a *prohibition order* against an individual*		*RDC*
58(3)/(4)	when the *FCA* is proposing or deciding to refuse an application for the variation or revocation of a *prohibition order*		*RDC*
62(2)	when the *FCA* is proposing to refuse an application for approval of a *person* performing a *controlled function* or to grant the application	*SUP 10A* and *SUP 10C*	*Executive procedures*

Section of the Act	Description	Handbook reference	Decision maker
	subject to conditions or for a limited period (or both)		
62(3)	when the *FCA* is deciding to refuse an application for approval of a *person* performing a *controlled function* or to grant the application subject to conditions or for a limited period (or both)	*SUP 10A* and *SUP 10C*	*Executive procedures* See *DEPP 2.5.5 G*
63(3)/(4)	when the *FCA* is proposing or deciding to withdraw approval from an *approved person* *		*Executive procedures*
63B(1)/(3)	when the *FCA* is proposing or deciding to impose a penalty on a *person* under section 63A*		*RDC*
63ZA(4)(b) and 62(2)	when the *FCA* is proposing to refuse an application for variation of an approval granted to an *SMF manager* , subject to conditions	*SUP 10C*	*Executive procedures*
63ZA(8) and 62(3)	when the *FCA* is deciding to refuse an application for variation of an approval granted to an *SMF manager* , subject to conditions	*SUP 10C*	*Executive procedures* See *DEPP 2.5.5G*

Section of the Act	Description	Handbook reference	Decision maker
67(1)/(4)	when the *FCA* is proposing or deciding to take action against an individual by exercising the disciplinary powers conferred by section 66*		*RDC*
76(4)/(5)	when the *FCA* is proposing or deciding to refuse an application for *listing* of *securities*	*UKLR 3* and *UKLR 20*	*Executive procedures*
78(10)/(11)(a)	when the *FCA* has suspended, on its own initiative, the *listing* of *securities* and is proposing or deciding to refuse an application by an *issuer* for cancellation of the suspension	*UKLR 21*	*Executive procedures*
78A(4)/(5)	When the *FCA* is proposing or deciding to refuse an application by the *issuer* of the *securities* for the discontinuance or suspension of the *listing* of the *securities*	*UKLR 21*	*Executive procedures*
78A(7)/(8)(a)	When the *FCA* has suspended the *listing* of *securities* on the application of the *issuer* of the *securities* and is proposing or deciding to refuse an application by the *issuer* for the cancellation of the suspension	*UKLR 21*	*Executive procedures*

Section of the Act	Description	Handbook reference	Decision maker
87JB	when the *FCA* proposes or decides that for a period the restriction in section 87JB(1) is to apply in relation to a *person*		*RDC*
87M(2)/(3)	when the *FCA* is proposing or deciding to publish a statement censuring an issuer of *transferable securities* , a *person* offering *transferable securities* to the public or a *person* requesting the admission of *transferable securities* to trading on a *regulated market*		*RDC*
88(4)(a) 88(6)(a) 88(8)(a)	when the *FCA* is proposing or deciding to refuse a *person's* application for approval as a *sponsor*	*UKLR 24*	*Executive procedures*
88(4)(a) 88(6)(a) 88(8)(b)	when the *FCA* is proposing or deciding to refuse a *sponsor's* application for the suspension of an approval as a *sponsor*		*Executive procedures*
88(4)(a) 88(6)(a) 88(8)(c)	when the *FCA* is proposing or deciding to refuse a *sponsor's* application for the withdrawal of the suspension of an approval as a *sponsor*		*Executive procedures*

Section of the Act	Description	Handbook reference	Decision maker
88(4)(a) 88(6)(a) 88(8)(d)	when the *FCA* is proposing or deciding to refuse a *sponsor's* application for the withdrawal or variation of a limitation, or other restriction on the services to which a *sponsor's* approval relates		*Executive procedures* See *DEPP 2.5.11B G*
88(4)(aa) 88(6)(aa)	when the *FCA* is proposing or deciding to impose limitations or restrictions on the services to which a *sponsor's* approval relates		*Executive procedures* See *DEPP 2.5.11A G*
88(4)(b) 88(6)(b)	when the *FCA* is proposing or deciding to cancel a *sponsor's* approval as a *sponsor* otherwise than at the *sponsor's* request*		*Executive procedures*
88B(1) 88B(5)	when the *FCA* is proposing or deciding to take action against a *sponsor* by exercising the disciplinary powers conferred by section 88A*		*RDC*
89K(2)/(3)	when the *FCA* is proposing or deciding to publish a statement that an *issuer* of *securities* admitted to trading on a *regulated market* is failing or has failed to comply		*RDC*

Section of the Act	Description	Handbook reference	Decision maker
	with an applicable transparency obligation		
89P(5)(a) 89P(7)(a) 89P(9)(a)	when the *FCA* is proposing or deciding to refuse a person's application for approval as a *primary information provider*		*Executive procedures*
89P(5)(a) 89P(7)(a)89P(9)(b)	when the *FCA* is proposing or deciding to refuse a *primary information provider's* application for the suspension of an approval as a *primary information provider*		*Executive procedures*
89P(5)(a) 89P(7)(a) 89P(9)(c)	when the *FCA* is proposing or deciding to refuse a *primary information provider's* application for the withdrawal of the suspension of an approval as a *primary information provider*		*Executive procedures*
89P(5)(a) 89P(7)(a) 89P(9)(d)	when the *FCA* is proposing or deciding to refuse a *primary information provider's* application for the withdrawal or variation of a limitation or other restriction on the dissemination of *regulated information* to which a *primary information provider's*		*Executive procedures* See *DEPP 2.5.11D G*

Section of the Act	Description	Handbook reference	Decision maker
	approval relates		
89P(5)(b) 89P(7)(b)	when the *FCA* is proposing or deciding to impose *limitations* or other restrictions on the dissemination of *regulated information* to which a *primary information provider's* approval relates.		*Executive procedures* See *DEPP 2.5.11A G*
89P(5)(c) 89P(7)(c)	when the *FCA* is proposing or deciding to cancel a *person's* approval as a *primary information provider* otherwise than at the *primary information provider's* request		*Executive procedures*
89R(1) 89R(5)	when the *FCA* is proposing or deciding to take action against a *primary information provider* by exercising the disciplinary powers conferred by section 89Q		*RDC*
92(1)/(4)	when the *FCA* is proposing or deciding to take action against any person under section 91 for breach of Part 6 rules*		*RDC*
126(1)/ 127(1)	when the *FCA* is proposing or deciding to impose a penalty or *public censure* under *section 123* of the *Act* , a		*RDC*

Section of the Act	Description	Handbook reference	Decision maker
	disciplinary prohibition under *section 123A* of the *Act* , or a suspension or restriction under *section 123B* of the *Act* *		
131H(1)/ (4)	when the *FCA* is proposing or deciding to take action against a *person* under section 131G*		*RDC*
142T(1)/ (4)	when the *FCA* is proposing or deciding to take action against a *person* under section 142S*		*RDC*
S143T(1) S143T(3)	When the *FCA* is proposing or deciding to make a Part 9C *prohibition order* under S143S(2) of the Act		*RDC* or *executive procedures*
S143U(2) (b) S143U(2) (c)	When the *FCA* is proposing or deciding to refuse an application for the variation or revocation of a *prohibition order* under S143U		*RDC* or *executive procedures*
S143W(1) S143W(5)	When the *FCA* is proposing or deciding to impose a penalty on a *person* under section 143V (2) of the *Act*		*RDC* or *executive procedures*
S143X(1) S143X(5)	When the FCA is proposing or deciding to publish a statement on a *person* under section 143P 143W((3) of the *Act*		*RDC* or *executive procedures*

Section of the Act	Description	Handbook reference	Decision maker
189(4)/(7)	when the *FCA* is proposing or deciding to object to a change in *control* following receipt of a *section 178 notice*	*SUP 11*	*Executive procedures*
189(4)/(7)	when the *FCA* is proposing or deciding to approve a change in *control* with conditions, following receipt of a *section 178 notice*	*SUP 11*	*Executive procedures*
187(1)/(3) and 188(1)191A(4)/(6)	when the *FCA* is proposing or deciding to object to a *person* who has acquired or increased control without giving a *section 178 notice*	*SUP 11*	*Executive procedures*
191A(4)/(6)	when the *FCA* is proposing or deciding to object to a *person's control* on the basis of the matters in section 186	*SUP 11*	*Executive procedures*
191A(4)/(6)	when the *FCA* is proposing or deciding to object to a *person's control* on the grounds that he is in breach of a condition imposed under section 187	*SUP 11*	*Executive procedures*
192L(1) 192L(4)	when the *FCA* is proposing or deciding to take action against a qualifying parent undertaking by exercising the disciplinary powers conferred by section 192K*		*RDC*

Section of the Act	Description	Handbook reference	Decision maker
200(4)/(5)	[deleted]		
207(1)/ 208(1)	when the *FCA* is proposing or deciding to publish a statement (under section 205) or impose a financial penalty (under section 206) or suspend a *permission* or impose a restriction in relation to the carrying on of a *regulated activity* (under section 206A). This applies in respect of an *authorised person* , or an *unauthorised person* to whom section 404C applies.*		*RDC*
208A(3)/(4)	when the *FCA* is proposing or deciding to refuse an application under section 206B(4) for the variation or withdrawal of a prohibition or restriction imposed under section 206B*		*RDC*
245(1)/(2)	when the *FCA* is proposing or deciding to refuse an application for an *authorisation* order declaring a *unit trust scheme* to be an *AUT* or an *AUT* to be a money market fund	*COLL 2*	*Executive procedures* See *DEPP 2.5.15 G*
249 345B(1)/(4)	when the *FCA* is proposing or deciding to take action against an auditor by		*RDC*

Section of the Act	Description	Handbook reference	Decision maker
	exercising the disciplinary powers conferred by section 249*		
252(1)/(4)	when the *FCA* is proposing or deciding to refuse approval of a proposal to replace the *trustee* or *manager* of an *AUT*	*COLL 2*	*Executive procedures*
252A(4)(b)/(6)(a)	when the *FCA* is proposing or deciding to refuse approval of a proposal by the *manager* of a *feeder UCITS* to make an alteration to the *trust deed* to enable the *feeder UCITS* to convert into a *UCITS scheme* which is not a *feeder UCITS*	*COLL 11*	*Executive procedures*
255(1)/(2)	when the *FCA* is proposing or deciding to make an order under section 254 revoking the *authorisation order* of an *AUT* *	None, but see *ENFG App 1.3* .	*Executive procedures*
256(4)/(5)	when the *FCA* is proposing or deciding to refuse a request for the revocation of the *authorisation order* of an *AUT*		*Executive procedures*
260(1)/(2)	when the *FCA* , on an application to revoke or vary a direction under section 257, proposes or decides to refuse to revoke or vary the direction or		*Executive procedures*

Section of the Act	Description	Handbook reference	Decision maker
	proposes or decides to vary the direction otherwise than in accordance with the application		
261G(1)/(2)	when the *FCA* is proposing or deciding to refuse an application for an *authorisation order* declaring a *scheme* to be an *ACS* or an *ACS* to be a money market fund	*COLL 2*	*Executive procedures* See *DEPP 2.5.15 G*
261R(1)/(4)	when the *FCA* is proposing or deciding to refuse approval of a proposal to replace the *depositary* or *authorised contractual scheme manager* of an *ACS*	*COLL 2*	*Executive procedures*
261S(4)(b)/ (6)(a)	when the *FCA* is proposing or deciding to refuse approval of a proposal by the *authorised contractual scheme manager* of an *ACS* which is a *feeder UCITS* to make an alteration to the *contractual scheme deed* to enable the *feeder UCITS* to convert into a *UCITS scheme* which is not a *feeder UCITS*	*COLL 11*	*Executive procedures*
261V(1)/(2)	when the *FCA* is proposing or deciding to make an order under section 261U revoking the *authorisation*	None, but see *ENFG App 1.3* .	*Executive procedures*

Section of the Act	Description	Handbook reference	Decision maker
	order of an *ACS* *		
261W(4)/(5)	when the *FCA* is proposing or deciding to refuse a request for the revocation of the *authorisation order* of an *ACS*		*Executive procedures*
261Z2(1)/(2)	when the *FCA* , on an application to revoke or vary a direction under section 261X, proposes or decides to refuse to revoke or vary the direction or proposes or decides to vary the direction otherwise than in accordance with the application		*Executive procedures*
264(2)/ 265(4)	[deleted]		
269(1)/(2)	[deleted]		
271H(2)/(3)	when the *FCA* is proposing or deciding to refuse an application for recognition of a *collective investment scheme* under section 271A	*COLL 9*	*Executive procedures*
271N(2)/(3)(a)	when the *FCA* is proposing or deciding to revoke an order made under section 271A in relation to an *OFR recognised scheme*	*COLL 9*	*Executive procedures*
271O(4)/(5)(a)	when the *FCA* is proposing or deciding to refuse a request for the revocation of an order under section 271A in	*COLL 9*	*Executive procedures*

Section of the Act	Description	Handbook reference	Decision maker
	relation to an *OFR recognised scheme*		
271R(3)/(4)(a)	when the *FCA* is proposing or deciding to publish a statement censuring the *operator* of an *OFR recognised scheme*	*COLL 9*	*Executive procedures*
276(1)/(2)	when the *FCA* is proposing or deciding to refuse an application for an order declaring a *collective investment scheme* to be a *recognised scheme* under section 272	*COLL 9*	*Executive procedures*
280(1)/(2)	when the *FCA* is proposing or deciding to revoke a section 272 order in respect of a *recognised scheme* *		*Executive procedures*
282B	when the *FCA* is proposing or deciding to publish a statement censuring the *operator* of a *scheme* recognised under section 272 of the *Act* .	*COLL 9*	*Executive procedures*
301G(3)(b)/(5)	when the *FCA* is proposing or deciding to object to a proposed acquisition of a *UK RIE* following receipt of a section 301A notice .	*REC 4.2C*	*Executive procedures*
301I(3)/(4)	when the *FCA* is	*REC 4.2C*	*Executive*

Section of the Act	Description	Handbook reference	Decision maker
	proposing or deciding to object to a *person* who has acquired or increased *control* in a *UK RIE* without giving a section 301 notice		*procedures*
301I(3)/(4)	when the *FCA* is proposing or deciding to object to a *person's* control in a *UK RIE* on the basis of the approval requirement in section 301F(4)	*REC 4.2C*	*Executive procedures*
312G(1) 312H(1)	when the *FCA* is proposing or deciding to take action against a *recognised investment exchange* by exercising the disciplinary powers conferred by sections 312E and 312F*		*RDC*
312Q	when the *FCA* is proposing or deciding to publish a notice of *public censure* under section 312Q of the *Act*	*DEPP 6A.1.1G(5)*	*Executive procedures*
312R(2)	when the *FCA* is proposing or deciding to publish a notice of disciplinary measures under section 312R(2)(a) to (e) of the *Act*	*DEPP 6A.1.1G(5)* *DEPP 6A.1.2G(6)* *DEPP 6A.2.6G*	*Executive procedures*
313B(9)	[deleted]		
313B(10)/(11)	[deleted]		
313BB(5)/ 313BC(5)	when, upon the application of an institution, the *FCA* is proposing	*REC 4.2D*	*Executive procedures*

Section of the Act	Description	Handbook reference	Decision maker
	or deciding not to revoke a requirement imposed on an institution under section 313A or is proposing or deciding that a requirement imposed on a class of institutions under section 313A will continue to apply to the applicant		
313BD(5)/ 313BE(4)	when, upon the application of an *issuer* , the *FCA* is proposing or deciding not to revoke a requirement imposed on an institution or a class of institutions under section 313A or to revoke a requirement imposed on a class of institutions under section 313A in relation to the class apart from one or more specified members of it, or one or more specified members of the class only	*REC 4.2D*	*Executive procedures*
331(1)/(3)	when the *FCA* is proposing or deciding to make an order disapplying the exemption from the *general prohibition* under section 327*		*Executive procedures*
331(7)/(8)	when the *FCA* is proposing or deciding to refuse an		*Executive procedures*

Section of the Act	Description	Handbook reference	Decision maker
	application for the variation or revocation of an order made under section 329*		
345B(1) 345B(4)	when the *FCA* is proposing or deciding to disqualify an auditor or actuary from being the auditor of, or acting as an actuary for, any *authorised person* or class of *authorised person* or from being the auditor of any *AUT* , *ACS* or *ICVC* *		*RDC*
345B(1) 345B(4)	when the *FCA* is proposing or deciding to disqualify an auditor from being the auditor of any *recognised investment exchange* or any class of *recognised investment exchange* *		*RDC*
345B(1) 345B(4)	when the *FCA* is proposing or deciding to take action against an auditor or *actuary* by exercising the disciplinary powers conferred by sections 345(2)(c) or (d)*		*RDC*
385(1)/ 386(1)	when the *FCA* is proposing or deciding to exercise the power under section 384(5) to require a *person* to pay restitution*		*RDC*

Section of the Act	Description	Handbook reference	Decision maker
404A(8)(a)	In connection with a *consumer redress scheme* , when the *FCA* is proposing to make a determination of whether a failure by a relevant firm has caused (or may cause) loss or damage to a *consumer* , or what the redress should be in respect of the failure	*CONRED*	*Executive procedures*
404A(8)(a)	In connection with a *consumer redress scheme* , when the *FCA* is deciding to make a determination of whether a failure by a relevant firm has caused (or may cause) loss or damage to a *consumer* , or what the redress should be in respect of the failure	*CONRED*	*Executive procedures*
412B(2)/(3)	when the *FCA* is proposing/deciding to refuse to approve a relevant system as defined in *section 412A(9)* of the *Act*		*Executive procedures*
412B(4)/(5)	when the *FCA* is proposing/deciding to suspend or withdraw its approval in relation to a relevant system as defined in *section 412A(9)* of the *Act* *		*Executive procedures*
412B(8)/(9)	when the *FCA* is proposing/deciding to refuse an		*Executive procedures*

Section of the Act	Description	Handbook reference	Decision maker
	application to cancel the suspension of approval in relation to a relevant system as defined in *section 412A(9)* of the *Act* *		
Paragraph 15A(4) of Schedule 3	[deleted]		
Paragraph 15A(5) of Schedule 3	[deleted]		
Paragraph 15B(2)(a) of Schedule 3	[deleted]		
Paragraph 19(8)/(12) of Schedule 3	[deleted]		
Paragraph 5(6) of Schedule 6A	when the *FCA* is proposing to refuse to annul a decision to exercise its *additional own-initiative variation power* *		*Executive procedures*
Paragraph 5(7) of Schedule 6A	when the *FCA* is deciding to refuse to annul a decision to exercise its *additional own-initiative variation power* *		*Executive procedures*

Co-operative and Community Benefit Societies Act (Northern Ireland) 1969	Description	Handbook reference	Decision maker
Sections 15 and 16	where the *FCA* gives at least two *months'* notice of the proposed cancellation or suspension of the registration of a		*Executive procedures*

Co-operative and Community Benefit Societies Act (Northern Ireland) 1969	Description	Handbook reference	Decision maker
	registered society		
Sections 15 and 16	where the *FCA* is proposing to cancel or suspend the registration of a *registered society* relying on section 15 (1)(c)(ii)		*Executive procedures*
Section 65	where the *FCA* is proposing to petition for the winding up of a *registered society*		*Executive procedures*
Section 75	where the *FCA* is proposing to prosecute a *registered society*		*Executive procedures*

Credit Unions (Northern Ireland) Order 1985	Description	Handbook reference	Decision maker
Articles 60 and 61	where the *FCA* gives at least two *months'* notice of the proposed cancellation or suspension of the registration of a *Northern Ireland credit union*		*Executive procedures*
Articles 60(1) and 61(1)	where the *FCA* is proposing to cancel or suspend the registration of a *Northern Ireland credit union* relying on section 60(1)(c)(ii)		*Executive procedures*
Article 63	where the *FCA* is proposing to petition for the winding up of a *Northern Ireland credit union*		*Executive procedures*

Credit Unions (Northern Ireland) Order 1985	Description	Handbook reference	Decision maker
Article 76	where the *FCA* is proposing to prosecute a *Northern Ireland credit union*		*Executive procedures*

Section of the *Friendly Societies Act 1992*	Description	Handbook reference	Decision maker
58A(1)(a)/(3)(a)	when the *FCA* is proposing or deciding to give a direction under section 54 or section 55 requiring a *friendly society* to take or refrain from taking steps where certain activities have become disproportionate to those of the *friendly society* group or, as the case may be, the society, or varying such a direction other than at the request of the society*	See *DEPP 2.5.18G (3)*	*Executive procedures*
58A(1)(b)/(3)(b)	when the *FCA* is proposing or deciding to give a direction under section 90 providing for a transfer of the engagements of a *friendly society* *		*Executive procedures*
85(4A)	when the *FCA* , on an amalgamation between *friendly societies* each of which has a *Part 4A permission* , notifies the successor		*Executive procedures* See *DEPP 2.5.12 G*

Section of the *Friendly Societies Act 1992*	Description	Handbook reference	Decision maker
	society of the terms of its *Part 4A permission*		

OEIC Regulations reference	Description	Handbook reference	Decision maker
Regulation 16(1)/(2)	when the *FCA* is proposing or deciding to refuse an application for an *authorisation order* in respect of a proposed *ICVC* or an *ICVC* to be a money market fund	*COLL 2*	*Executive procedures* See *DEPP 2.5.15 G*
Regulation 22(1)/(2)/(4)/(5)	when the *FCA* is proposing to refuse approval of (or, having given a *warning notice* , deciding to refuse) a proposal to replace the *depositary* or *director* of an *ICVC* , or any other proposal or decision falling within regulation 21	*COLL 2*	*Executive procedures*
Regulation 22A(5)(b)/(8)(a)	when the *FCA* is proposing or deciding to refuse approval of a proposal by an *ICVC* which is a *feeder UCITS* to make an alteration to its *instrument of incorporation* to enable it to convert into a *UCITS scheme* which is not a *feeder UCITS*	*COLL 11*	*Executive procedures*
Regulation 24(1)/(2)	when the *FCA* is proposing or deciding to revoke an		*Executive procedures*

OEIC Regulations reference	Description	Handbook reference	Decision maker
	authorisation order relating to an *ICVC* under regulation 23(1)*		
Regulation 28(1)/(2)	when the *FCA* is proposing or deciding to refuse an application to revoke or vary a direction in accordance with a request under regulation 25(7) or to vary the direction in accordance with the application		*Executive procedures*
Paragraph 20 of Schedule 5	when the *FCA* is proposing or deciding to use the disqualification powers under section 249(1)*		*RDC*

Regulated Activities Order	Description	Handbook reference	Decision maker
Article 95(2)/(3)	when the *FCA* is proposing or deciding not to include, or to remove, an *appointed representative* from the *Register* *	*SUP 12.4.10 G*	*Executive procedures*
Article 95(7)/(8)	when the *FCA* is proposing or deciding to refuse an application to revoke a determination not to include, or to remove, an *appointed representative* from the *Register* *	*SUP 12.4.10 G*	*Executive procedures*

Payment Services Regulations	Description	Handbook reference	Decision maker
Regulations 9(7), 15 and 19	when the *FCA* is proposing to refuse an application for authorisation as an *authorised payment institution* , or for registration as a *small payment institution* , or for registration as an *account information service provider* , or to impose a requirement, or to refuse an application to vary an authorisation or existing registration		*Executive procedures*
Regulations 9(8)(a), 15 and 19	when the *FCA* is deciding to refuse an application for authorisation as an *authorised payment institution* , or for registration of a *small payment institution* , or for registration as an *account information service provider* , or to impose a requirement, or to refuse an application to vary an authorisation or existing registration		*Executive procedures*
Regulations 10(2), 10(3)(a), 15 and 19	when the *FCA* is proposing or deciding to either cancel an *authorised payment institution's* authorisation, or to cancel a *small*		*Executive procedures*

Payment Services Regulations	Description	Handbook reference	Decision maker
	payment institution or *account information service provider's* registration, otherwise than at that institution's own request*		
Regulations 28(1) and 26	[deleted]		
Regulations 28(2)(a) and 26	[deleted]		
Regulations 28(1), 28(2)(a) and 26	[deleted]		
Regulation 34(8)	when the *FCA* is proposing to refuse an application for registration as an *agent*		*Executive procedures*
Regulation 34(9)(a)	when the *FCA* is deciding to refuse an application for registration as an *agent*		*Executive procedures*
Regulations 35(2) and 35(3)(a)	when the *FCA* is proposing or deciding to remove an *agent* from the *Financial Services Register* otherwise than at the request of a *payment institution* *		*Executive procedures*
Regulations 112(1) and 112(3)	when the *FCA* is proposing, or deciding, to impose a financial penalty*		*RDC*
Regulations 112(1) and 112(3)	when the *FCA* is proposing, or deciding, to publish a statement that a *payment service provider* has		*RDC*

Payment Services Regulations	Description	Handbook reference	Decision maker
	contravened the *Payment Services Regulations* *		
Regulations 115(1) and 115(3)	when the *FCA* is proposing or deciding to exercise its powers to require restitution*		*RDC*
Schedule 6 paragraph 1	when the *FCA* is proposing or deciding to publish a statement that a relevant person has been knowingly concerned with a contravention of the *Payment Services Regulations* (Note 2)		*RDC*
Schedule 6 paragraph 1	when the *FCA* is proposing or deciding to impose a financial penalty against a relevant person (Note 3)		*RDC*
Notes: (2) The *Payment Services Regulations* do not require third party rights and access to *FCA* material when the *FCA* exercises this power. However, the *FCA* generally intends to allow for third party rights and access to material when exercising this power. (3) The *Payment Services Regulations* do not require third party rights and access to *FCA* material when the *FCA* exercises this power. However, the *FCA* generally intends to allow for third party rights and access to material when exercising this power.			

The *Money*	Description	Handbook	Decision maker

Laundering Regulations 2007 **The** ***Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017***		**reference**	
Regulations 25(6), 25(9) and 25 (10)(b)	when the *FCA* is exercising its power to give a direction		*Executive procedures*
Regulation 59(3)(b)	when the *FCA* is proposing to refuse an application for registration		*Executive procedures*
Regulation 59(4)(b)	when the *FCA* is deciding to refuse an application for registration		*Executive procedures*
Regulations 60(8) and 60(9)	when the *FCA* is proposing or deciding to suspend or cancel the registration of a person registered under the *Money Laundering Regulations*		*Executive procedures*
Regulations 81(2) and 81 (6)	when the *FCA* is proposing or deciding to impose a civil penalty under regulations 76, 77 or 78*		*RDC*

Regulated Covered Bonds Regulations 2008	**Description**	**Handbook reference**	**Decision maker**
Regulation 13(4)/(5)(a)	when the *FCA* is proposing or deciding to refuse an application under regulation 8	*RCB 6*	*Executive procedures*

Regulated Covered Bonds Regulations 2008	Description	Handbook reference	Decision maker
Regulation 20(5)/(6)(a)	when the *FCA* is proposing or deciding not to approve a material change	*RCB 6*	*Executive procedures*
Regulation 25(5)/(6)(a)	when the *FCA* is proposing or deciding not to approve a change of ownership	*RCB 6*	*Executive procedures*
Regulation 32(1)(a)/ (2)(a)	before the *FCA* gives a direction under regulation 30 or when it decides to make the direction	*RCB 6*	*Executive procedures*
Regulation 32(1)(b)/(2)(b)	before the *FCA* removes an *issuer* from the register of *issuers* under regulation 31 or when it decides to remove the *issuer* from the register of *issuers* *	*RCB 6*	*Executive procedures*
Regulation 35(1)/(3)	when the *FCA* is proposing or deciding to impose a penalty on a person under regulation 34*	*RCB 6*	*RDC*

Cross-Border Payments in Euro Regulations 2010 [deleted]			
[deleted]			

Electronic Money Regulations	Description	Handbook reference	Decision maker
Regulations 9(6) and 15	where the *FCA* is proposing to refuse an application for authorisation as an *authorised electronic money institution* , or for registration as a *small electronic money institution* , or impose a requirement, or refuse to vary an authorisation or registration		*Executive procedures*
Regulations 9(7)(a) and 15	when the *FCA* is deciding to refuse an application for authorisation as an *authorised electronic money institution* , or for registration as a *small electronic money institution* , or impose a requirement or refuse to vary an authorisation or registration		*Executive procedures*
Regulations 10(4), 10(5)(a)and 15	when the *FCA* is proposing or deciding to either cancel an *authorised electronic money institution's* authorisation, or to cancel a *small electronic money institution's* registration otherwise than at that institution's own request *		*Executive procedures*
Regulations 11(6), 11(9), 11(10)(b) and 15	when the *FCA* is exercising its powers to vary an *electronic money institution's* authorisation or vary a *small*		*Executive procedures*

Electronic Money Regulations	Description	Handbook reference	Decision maker
	electronic money institution's registration on its own initiative		
Regulation 29(2)	[deleted]		
Regulation 29(3)(a)	[deleted]		
Regulation 29(2) and Regulation 29(3)(a)	[deleted]		
Regulation 34(9)	when the *FCA* is proposing to refuse an application for registration as an *agent*		*Executive procedures*
Regulation 34(10)(a)	when the *FCA* is deciding to refuse an application for registration as an *agent*		*Executive procedures*
Regulations 35(2) and 35(3)(a)	when the *FCA* is proposing or deciding to remove an *agent* from the *Financial Services Register* otherwise than at the request of the *electronic money institution* *		*Executive procedures*
Regulations 53(1) and 53(3)	when the *FCA* is proposing, or deciding, to publish a statement that an *electronic money issuer* has contravened the *Electronic Money Regulations* *		*RDC*
Regulations 53 (1) and 53 (3)	when the *FCA* is proposing or deciding, to impose a financial penalty *		*RDC*
Regulations 53(1) and 53(3)	When the *FCA* is proposing or deciding to		*RDC*

Electronic Money Regulations	Description	Handbook reference	Decision maker
	suspend the authorisation of an *authorised electronic money institution* or registration of a *small electronic money institution*, or to limit or otherwise restrict the carrying on of *electronic money* issuance or *payment services* business by an *electronic money institution* *		
Regulations 56(1) and 56(3)	when the *FCA* is proposing or deciding to exercise its powers to require restitution *		*RDC*
Schedule 3, paragraph 1	when the *FCA* is proposing or deciding to publish a statement that a relevant person has been knowingly concerned with a contravention of the *Electronic Money Regulations* (Note 2)		*RDC*
Schedule 3, paragraph 1	when the *FCA* is proposing or deciding to impose a financial penalty against a relevant person (Note 2)		*RDC*
Notes:			

Electronic Money Regulations	Description	Handbook reference	Decision maker
(1) [deleted] (2) The *Electronic Money Regulations* do not require third party rights and access to *FCA* material when the *FCA* exercises this power. However, the *FCA* generally intends to allow for third party rights and access to material when exercising this power.			

Recognised Auction Platforms Regulations 2011	Description	Handbook reference	Decision maker
Regulation 5A	where the *FCA* is proposing or deciding to publish a statement censuring a *RAP*, or to impose a financial penalty on a *RAP*	*REC 2A.4*	*RDC*

Alternative Investment Fund Managers Regulations 2013	Description	Handbook reference	Decision maker
Regulation 13(1)	where the *FCA* proposes to refuse an application for entry on the register of *small registered UK AIFMs*		*Executive procedures*
Regulation 13(2)(a), article 14b of the *RVECA regulation* and article 15b of the *SEF regulation*	where the *FCA* decides to refuse an application for entry on the register of *small registered UK AIFMs*		*Executive procedures*
Regulation 18(1)	where the *FCA* proposes to revoke the registration of a *small registered UK AIFM* including, where applicable, its registration as a *SEF manager* or *RVECA manager*		*Executive procedures*

Alternative Investment Fund Managers Regulations 2013	Description	Handbook reference	Decision maker
Regulation 18(2)(a)	where the *FCA* decides to revoke the registration of a *small registered UK AIFM* including where applicable its registration as a *SEF manager* or *RVECA manager*		*Executive procedures*
Regulation 23E(1)	where the *FCA* proposes to refuse an application for registration as a *qualifying social entrepreneurship fund* or a *qualifying venture capital fund*		*Executive procedures*
Regulation 23E(2)(a)	where the *FCA* decides to refuse an application for registration as a *qualifying social entrepreneurship fund* or a *qualifying venture capital fund*		*Executive procedures*
Regulation 23F(1)	where the *FCA* proposes to revoke the registration of a *qualifying social entrepreneurship fund* or a *qualifying venture capital fund*		*Executive procedures*
Regulation 23F(2)(a)	where the *FCA* decides to revoke the registration of a *qualifying social entrepreneurship fund* or a		*Executive procedures*

Alternative Investment Fund Managers Regulations 2013	Description	Handbook reference	Decision maker
	qualifying venture capital fund		
Regulation 23H(1)	where the *FCA* proposes to refuse an application for authorisation as a money market fund		*Executive procedures*
Regulation 23H(2)(a)	where the *FCA* decides to refuse an application for authorisation as a money market fund		*Executive procedures*
Regulation 23I(1)	where the *FCA* proposes to revoke the authorisation of a money market fund		*Executive procedures*
Regulation 23I(2)(a)	where the *FCA* decides to revoke the authorisation of a money market fund		*Executive procedures*
Regulation 25(2)	where the *FCA* proposes to disqualify an *external valuer*		*RDC*
Regulation 25(3)(a)	where the *FCA* decides to disqualify an *external valuer*		*RDC*
Regulation 27(2)	where the *FCA* proposes to revoke approval given to a *full-scope UK AIFM* for the delegation of functions of portfolio or risk management		*Executive procedures*
Regulation 27(3)(a)	where the *FCA* decides to revoke approval given to a *full-scope UK AIFM* for the delegation of functions of		*Executive procedures*

Alternative Investment Fund Managers Regulations 2013	Description	Handbook reference	Decision maker
	portfolio management or risk management		
Regulation 56	where the *FCA* is proposing to revoke a *full-scope UK AIFM's* approval to *market* an *AIF* under regulation 54		*Executive procedures*
Regulation 56	where the *FCA* is deciding to revoke a *full-scope UK AIFM's* approval to market an *AIF* under regulation 54		*Executive procedures*
Regulation 62(2)	where the *FCA* proposes to revoke an *AIFM's* entitlement to *market* an *AIF*		*Executive procedures*
Regulation 62(3)	where the *FCA* decides to revoke the entitlement of an *AIFM* to market an *AIF*		*Executive procedures*
Regulation 71(1)(e)	where the *FCA* is proposing or deciding to publish a statement that an *unauthorised AIFM* has contravened the regulations or *SEF regulation* or *RVECA regulation*		*RDC*
Regulation 71(1)(f)	where the *FCA* is proposing or deciding to impose a financial penalty on an *unauthorised AIFM* that has contravened the regulations or		*RDC*

Alternative Investment Fund Managers Regulations 2013	**Description**	**Handbook reference**	**Decision maker**
	SEF regulation or *RVECA regulation*		

Legal Aid, Sentencing and Punishment of Offenders Act 2012 (Referral Fees) Regulations 2013	**Description**	**Handbook reference**	**Decision maker**
Regulation 24(1) and 24(6)	when the *FCA* is proposing or deciding to exercise its powers to require restitution*		*RDC*
Regulation 25(1) and 26(1)	when the *FCA* is proposing or deciding to publish a statement (under regulations 14 or 15) or impose a financial penalty (under regulation 16) or impose a restriction on permission (under regulation 17) or suspend or restrict an approval (under regulation 18)*		*RDC*

The *Financial Services Act 2012 (Consumer Credit) Order 2013*	**Description**	**Handbook reference**	**Decision maker**
Article 3(3)	when the *FCA* is proposing or deciding to take action against an *approved person* for being knowingly concerned in a contravention of a *CCA Requirement* by an *authorised person* , by		*RDC*

The *Financial Services Act 2012 (Consumer Credit) Order 2013*	Description	Handbook reference	Decision maker
	exercising the disciplinary powers conferred by section 66*		
Article 3(7)	when the *FCA* is proposing or deciding to publish a statement (under section 205) or impose a financial penalty (under section 206) or suspend a *permission* or impose a restriction in relation to the carrying on of a *regulated activity* (under section 206A) for the contravention of a *CCA Requirement* . This applies in respect of an *authorised person* , or an *unauthorised person* to whom section 404C applies*		*RDC*
Article 3(10)	when the *FCA* is proposing or deciding to exercise the power under section 384(5) to require a *person* to pay restitution in relation to the contravention of a *CCA Requirement* *		*RDC*

The *Co-operative and Community Benefit Societies Act 2014*	Description	Handbook reference	Decision maker

Sections 6 and 8	where the *FCA* gives at least two *months* ' notice of the proposed cancellation or suspension of the registration of a *registered society*		*Executive procedures*
Sections 6 to 8	where the *FCA* is proposing to cancel or suspend the registration of a *registered society* relying on condition C, D or E in section 5		*Executive procedures*
Section 123	where the *FCA* is proposing to petition for the winding up of a *registered society*		*Executive procedures*
Section 132	where the *FCA* is proposing to prosecute a *registered society*		*Executive procedures*

The *Immigration Act 2014* (Bank Accounts) Regulations 2014	**Description**	**Handbook reference**	**Decision maker**
Regulation 24 and 25	where the *FCA* is proposing or deciding to publish a statement (under regulations 15 or 16) or impose a financial penalty (under regulation 17) or impose a restriction on permission (under regulation 18) or suspend or restrict an approval (under regulation 19)*		*RDC*

The *Mortgage Credit Directive Order 2015*	**Description**	**Handbook reference**	**Decision maker**

Article 11(1)	when the *FCA* is proposing to refuse an application for entry on the register or variation of an existing entry on the register		*Executive procedures*
Article 11(2)	when the *FCA* is deciding to refuse an application for entry on the register or variation of an existing entry on the register		*Executive procedures*
Articles 14(1), 14(2), 16(3) and 16(4)	when the *FCA* is proposing or deciding to revoke or suspend the registration of a registered *CBTL firm* other than at the firm's request or with the firm's consent*		*Executive procedures*
Article 23(4)	when the *FCA* is proposing or deciding to publish a statement (under *section 205* of the *Act*) or impose a financial penalty (under *section 206* of the *Act*)*		*RDC*

The Small and Medium Sized Business (Credit Information) Regulations 2015	**Description**	**Handbook reference**	**Decision maker**
Regulations 39 and 40	when the *FCA* is proposing or deciding to publish a statement (under regulation 28), or impose a financial penalty (under regulation 29), or impose a limitation or		*RDC*

The Small and Medium Sized Business (Credit Information) Regulations 2015	Description	Handbook reference	Decision maker
	restriction (under regulation 30), or exercise the power to require restitution (under regulation 32(2)		

Markets in Financial Instruments Regulations 2017	Description	Handbook reference	Decision maker
Paragraphs 12(1)(a) and 13(1)(a) of Schedule 1	when the *FCA* is proposing or deciding to publish a statement		*RDC*
Paragraphs 12(1)(b) and 13(1)(b) of Schedule 1	when the *FCA* is proposing or deciding to impose a penalty		*RDC*
Paragraph 21(1) and 21(7) of Schedule 1	when the *FCA* is proposing or deciding to require restitution		*RDC*

Data Reporting Services Regulations 2024	Description	Handbook reference	Decision maker
Regulations 7(4)(a) and 9(8)(a)	when the *FCA* is proposing to impose a restriction on the applicant for verification or authorisation as a *data reporting services provider*		*Executive procedures*
Regulations 7(5)(b) and 9(9)(b)	when the *FCA* grants verification or authorisation subject to the imposition of restrictions on the applicant for verification or authorisation as a *data reporting services provider*		*Executive procedures*
Regulations 7(4)(b) and	when the *FCA* is proposing to		*Executive procedures*

Data Reporting Services Regulations 2024	Description	Handbook reference	Decision maker
9(8)(b)	refuse an application for verification or authorisation as a *data reporting services provider*		
Regulations 7(5)(c) and 9(9)(c)	when the *FCA* refuses an application for verification or authorisation as a *data reporting services provider*		*Executive procedures*
Regulations 7(7), 10(4)(a) and 10(5)(b)(i)	when the *FCA* is proposing or deciding to cancel a verification or the authorisation of a *data reporting services provider* otherwise than at its request		*Executive procedures*
Regulations 7(7) and 10(4)(b)	when the *FCA* is proposing to refuse a request to cancel a verification or authorisation of a *data reporting services provider*		*Executive procedures*
Regulations 7(7) and 10(5)(b)(ii)	when the *FCA* is deciding to refuse a request to cancel a verification authorisation of a *data reporting services provider*		*Executive procedures*
Regulations 7(7) and 11(3)	when the *FCA* is proposing to refuse a request to vary a verification or the authorisation of a *data reporting services provider*		*Executive procedures*
Regulations 7(7) and 11(4)	when the *FCA* is deciding to refuse a request to vary a verification or the		*Executive procedures*

Data Reporting Services Regulations 2024	Description	Handbook reference	Decision maker
	authorisation of a *data reporting services provider*		
Regulations 19(5) and (6)(a)	when the *FCA* is proposing or deciding to publish a statement by exercising the power conferred by section 312E		*RDC*
Regulations 19(5) and (6)(a)	when the *FCA* is proposing or deciding to impose a financial penalty by exercising the power conferred by section 312F		*RDC*
Regulation 22(1) and 22(7)	when the *FCA* is proposing or deciding to require restitution		*RDC*

The *Payment Accounts Regulations 2015*	Description	Handbook reference	Decision maker
Regulation 34 and Regulation 35(4)(a)	when the *FCA* is proposing or deciding to publish a statement or impose a financial penalty*		*RDC*

The Small and Medium Sized Business (Finance Platforms) Regulations 2015	Description	Handbook reference	Decision maker
Regulations 36 and 37	when the *FCA* is proposing or deciding to publish a statement (under regulation 25), or impose a financial penalty (under regulation 26), or impose a		*RDC*

The Small and Medium Sized Business (Finance Platforms) Regulations 2015	Description	Handbook reference	Decision maker
	limitation or restriction (under regulation 27), or exercise the power to require restitution (under regulation 29(2)).		

The *Risk Transformation Regulations 2017*	Description	Handbook reference	Decision maker
Regulation 22	when the *FCA* is proposing or deciding to refuse an application to register a *protected cell company*	Not applicable	*Executive procedures*
Regulation 28	when the *FCA* is proposing or deciding to refuse approval of a proposed amendment to a *protected cell company"s* instrument of incorporation	Not applicable	*Executive procedures*

Packaged Retail and Insurance-based Investment Products Regulations 2017	Description	Handbook reference	Decision maker
Regulations 10(1) and 10(4)	when the *FCA* is proposing or deciding to take action against a *person* under regulation 6*		*RDC*
Paragraph 5(7) of Schedule 1	when the *FCA* is proposing or deciding to exercise the power under *section 384(5)* of the *Act* to require a *person* to pay restitution*		*RDC*

UK Benchmarks Regulations 2018	Description	Handbook reference	Decision maker
Regulation 6(5)	when the *FCA* is proposing or deciding to refuse an application for the imposition of a requirement under regulation 6 or for the variation or cancellation of a requirement imposed under regulation 6		*Executive Procedures*
Regulations 12(1)(a) and 13(1)(a)	when the *FCA* is proposing or deciding to publish a statement under regulation 10		*RDC*
Regulations 12(1)(b) and 13(1)(b)	when the *FCA* is proposing or deciding to impose a financial penalty under regulation 11		*RDC*
Regulations 22(1), 22(2) and 22(7)	when the *FCA* is proposing or deciding to require restitution under regulation 22		*RDC*

UK Securitisation Regulations Applicable for decisions made under the Securitisation Regulations 2018 (SI 2018/1288) relating to things done or omitted before the main commencement day of the Securitisation Regulations 2024 (SI 2024/102)	Description	Handbook reference	Decision maker
Regulation 19(1)(b) and 20(1)(b)	when the *FCA* is proposing or deciding to publish a statement under regulation 7		*RDC*
Regulation 19(1)(c) and 20(1)(c)	when the *FCA* is proposing or deciding to impose a financial penalty under regulation 8		*RDC*
Paragraph 1 of Schedule 1	when the *FCA* is proposing or deciding to take action against an individual by exercising the disciplinary powers conferred by section 66*, as applied by paragraph 1 of schedule 1		*RDC*
Paragraph 4 of Schedule 1	when the *FCA* is proposing or deciding to		*RDC*

UK Securitisation Regulations Applicable for decisions made under the Securitisation Regulations 2018 (SI 2018/1288) relating to things done or omitted before the main commencement day of the Securitisation Regulations 2024 (SI 2024/102)	Description	Handbook reference	Decision maker
	publish a statement (under section 205), impose a financial penalty (under section 206), or suspend a permission or impose a restriction in relation to the carrying on of a regulated activity (under section 206A) as applied by paragraph 4 of schedule 1		
Paragraph 6 of Schedule 1	when the *FCA* is proposing or deciding to require restitution		*RDC*

Securitisation Regulations 2024 (SI 2024/102)	Description	Handbook reference	Decision maker
Regulation 43(1)(a)	when the *FCA* is proposing or deciding to refuse under regulation 27 an application made under regulation 26		*Executive procedures*

Securitisation Regulations 2024 (SI 2024/102)	Description	Handbook reference	Decision maker
Regulation 43(1)(b)	when the *FCA* is proposing or deciding to withdraw the registration of a third-party verification service under regulation 31		*Executive procedures*
Regulation 43(1)(c)	where the *FCA* is proposing or deciding to refuse an application to withdraw a *person's* registration to provide a third-party verification service under regulation 32		*Executive procedures*
Regulation 43(1)(d)	when the *FCA* is proposing or deciding to impose a temporary prohibition relating to management functions under regulation 37		*RDC*
Regulation 43(1)(e)	when the *FCA* is proposing or deciding to publish a statement in respect of a *person* under regulation 41		*RDC*
Regulation 43(1)(f)	when the *FCA* is proposing or deciding to impose a financial penalty under regulation 42		*RDC*
Paragraph 3 of Schedule 1	when the *FCA* is proposing or deciding to take action against an individual by exercising the disciplinary		*RDC*

Securitisation Regulations 2024 (SI 2024/102)	Description	Handbook reference	Decision maker
	powers conferred by section 66A(ac) of the *Act* as amended by paragraph 3 of Schedule 1		
Paragraph 11 of Schedule 1	when the *FCA* is proposing or deciding to require restitution		*RDC*

Proxy Advisors (Shareholders' Rights) Regulations	Description	Handbook reference	Decision maker
Regulation 11	when the *FCA* is proposing or deciding to publish a statement under regulation 11		*RDC* or *executive procedures*
Regulation 12	when the *FCA* is proposing or deciding to impose a financial penalty under regulation 12		*RDC*
Regulation 25	when the *FCA* is proposing or deciding to require restitution under regulation 25		*RDC*
Regulation 32	when the *FCA* is proposing or deciding to remove a *proxy advisor* from the public list.		*Executive procedures*

OPBAS Regulations	Description	Handbook reference	Decision maker
Regulation 16	when the *FCA* is proposing or deciding to publish a statement censuring a *self-regulatory organisation*		*RDC*

OPBAS Regulations	Description	Handbook reference	Decision maker
Regulation 17	when the *FCA* is proposing to make a recommendation to the Treasury that a *self-regulatory organisation* is removed from Schedule 1 to the *Money Laundering Regulations*		*Executive procedures*
Regulation 17	when the *FCA* is deciding to recommend to the Treasury that a *self-regulatory organisation* is removed from Schedule 1 to the *Money Laundering Regulations*		*Executive procedures*

CRA (EU Exit) Regulations	Description	Handbook reference	Decision maker
Regulation 11(1)(a) and 12(1)(a)	when the *FCA* is proposing or deciding to impose a penalty under regulation 7		*RDC*
Regulation 11(1)(b) and 12(1)(b)	when the *FCA* is proposing or deciding to publish a statement under regulation 10		*RDC*
Regulations 65(b) and 66(b)	when the *FCA* is proposing or deciding to impose a financial penalty under regulation 68		*RDC*

Trade Repositories (EU Exit) Regulations	Description	Handbook reference	Decision maker
Regulations 65(a) and 66(a)	when the *FCA* is proposing or deciding to publish a		*RDC*

Trade Repositories (EU Exit) Regulations	Description	Handbook reference	Decision maker
	statement under regulation 67		
Regulations 65(b) and 66(b)	when the *FCA* is proposing or deciding to impose a financial penalty under regulation 68		*RDC*

SFTR (EU Exit) Regulations	Description	Handbook reference	Decision maker
Regulations 26(1)(a) and 27(1)(a)	when the *FCA* is proposing or deciding to publish a statement under regulation 28		*RDC*
Regulations 26(1)(b) and 27(1)(b)	when the *FCA* is proposing or deciding to impose a financial penalty under regulation 29		*RDC*

The Financial Services and Markets Act 2023 (Digital Securities Sandbox) Regulations 2023	Description	Handbook reference	Decision maker
Section 207(1) and 208(1) of the *Act* as applied by Part 3 of the Schedule to the Regulations	when the *FCA* is proposing or deciding to publish a statement or impose a financial penalty in respect of a sandbox entrant or a *person* participating under regulation 3(4) (under section 205 or 206 of the *Act* as applied by Part 3 of the Schedule to the Regulations)*		*RDC*

The Financial Services and Markets Act 2023 (Private Intermittent Securities and Capital Exchange System Sandbox) Regulations 2025	Description	Handbook reference	Decision maker
Section 207(1) and 208(1) of the *Act* as applied by Part 1 of Schedule 1 to the Regulations	when the *FCA* is proposing or deciding to publish a statement or impose a financial penalty in respect of an *authorised person* or a *person* participating under regulation 5(1) (under section 205 or 206 of the *Act* as applied by Part 1 of Schedule 1 to the Regulations)*	The Pisces sourcebook	*RDC*

The Public Offers and Admissions to Trading Regulations 2024	Description	Handbook reference	Decision maker
Regulation 29(3) and (4)	when the *FCA* proposes or decides that for a period the restrictions in regulation 29(1) are to apply in relation to a *person*		*RDC*
Regulation 41(1) and (4)	when the *FCA* proposes or decides to take action against a *person* under regulation 39 or 40		*RDC*

Short Selling Regulations 2025 (SI 2025/29)	Description	Handbook reference	Decision maker
67(1)/(4) of the Act as	when the *FCA* is proposing or deciding to take action against		*RDC*

applied by Schedule 1 to the Regulations	an individual by exercising the disciplinary powers conferred by section 66, as applied by Schedule 1 to the Regulations*		
207(1)//208(1) of the Act as applied by Schedule 1 to the Regulations	when the *FCA* is proposing or deciding to publish a statement (under section 205(1)), or impose a financial penalty (under section 206(1)), or suspend a *permission* or impose a restriction in relation to the carrying on of a *regulated activity* (under section 206A), as applied by Schedule 1 to the Regulations. This applies in respect of an *authorised person*, or an *unauthorised person* to whom section 404C applies*		*RDC*
207(1A)/208(1A) of the Act as applied by Schedule 1 to the Regulations	when the *FCA* is proposing or deciding to publish a statement (under section 205(2)), or impose a financial penalty (under section 206(1A)), or prohibit or restrict the carrying on of a *relevant designated activity* (under section 206B), as applied by Schedule 1 to the Regulations*		*RDC*
208A(3)/(4) of the Act as applied by Schedule 1 to the Regulations	when the *FCA* is proposing or deciding to refuse an application under section 206B(4) for the variation or withdrawal of a prohibition or restriction imposed under section 206B, as applied by Schedule 1 to the Regulations*		*RDC*
385(1)/386(1) of the Act as applied by Schedule 1 to the Regulations	when the *FCA* is proposing or deciding to require restitution under section 384, as applied by Schedule 1 to the Regulations*		*RDC*

Financial Services and Markets Act 2000 (Cryptoassets) Regulations 2026 (SI 2026/102)	Description	Handbook reference	Decision maker
Regulation 55(3)	when the *FCA* is exercising its power to give a direction		*Executive procedures*

Section : DEPP 2 Annex 2 Supervisory notices

DEPP 2 Annex 2

Section of the Act	Description	Handbook reference	Decision maker
55XA(1)(a) and 55XA(1)(b)	when the *FCA* is deciding to grant an application for a *Part 4A permission* to carry on the *regulated activity* specified in *article 63S* of the *Regulated Activities Order* with a limitation or a requirement which was not applied for, or with a narrower or wider description of *regulated activity* than that applied for		*Executive procedures* See *DEPP 2.5.18G(5)*
55XA(1)(c) and 55XA(1)(d)	when the *FCA* is deciding to grant an application to vary a *firm's Part 4A permission* to carry on the *regulated activity* specified in *article 63S* of the *Regulated Activities Order* but, other than as part of the application, to restrict the *Part 4A permission* either by imposing a limitation or requirement which was not applied for or by specifying a narrower or wider description of *regulated activity* than that applied for		*Executive procedures* See *DEPP 2.5.18G(5)*
55XA(1)(e)	when the *FCA* is deciding to refuse an		*Executive procedures*

Section of the Act	Description	Handbook reference	Decision maker
	application for a *Part 4A permission* to carry on the *regulated activity* specified in *article 63S* of the *Regulated Activities Order*		See *DEPP 2.5.18G(5)*
55XA(1)(f)	when the *FCA* is deciding to refuse an application to vary a *firm's Part 4A permission* to carry on the regulated activity specified in *article 63S* of the *Regulated Activities Order*		*Executive procedures*See *DEPP 2.5.18G(5)*
55Y(4) 55Y(7) 55Y(8)(b)	when the *FCA* is proposing to exercise, is deciding to exercise or is, with immediate effect, exercising its *own-initiative variation power* to vary a *firm's Part 4A permission* or its power to vary the terms of a *firm's approver permission* or is deciding, after considering any representations made by the *firm*, not to rescind a variation of either sort	*SUP 6A* *SUP 7*	*Executive procedures* See *DEPP 2.5.7 G*
63ZC(4) 63ZC(8) 63ZC(9)(b)	when the *FCA* is exercising its power to vary, on its own initiative, an approval granted to an *SMF manager*		*Executive procedures* See *DEPP 2.5.8AG* and *DEPP 2.5.8BG*
71H(2), (3), (4), (9) or (11)(a)	where the *FCA* is proposing or deciding to impose or vary a		*Executive procedures*

Section of the Act	Description	Handbook reference	Decision maker
	requirement in relation to a director or senior executive under section 71B or 71C(2) or (8) or to appoint or vary the terms of appointment of a temporary manager under section 71C(1)		
55Y(4) 55Y(7) 55Y(8)(b)	when the *FCA* is exercising its *own-initiative requirement power*		*Executive procedures* See *DEPP 2.5.7 G*
78(2)/(5)	when the *FCA* is proposing to discontinue or discontinues the *listing* of a *security*	*UKLR 21*	*Executive procedures* See *DEPP 2.5.9G (4)* and *DEPP 2.5.10 G*
78(2)/(5)	when the *FCA* is proposing to suspend or suspends the *listing* of a *security*	*UKLR 21*	*Executive procedures*
78A(2)/(8)(b)	when the *FCA* discontinues or suspends the *listing* of a *security* on the application of the *issuer* of the *security*	*UKLR 21*	*Executive procedures*
87O(2)/(5)	when the *FCA* proposes to exercise any of the powers in sections 87JA, 87K, 87L or 87LA in relation to a *person*, or exercises any of those powers in relation to a *person* with immediate effect, or decides to maintain, vary or		*Executive procedures*

Section of the Act	Description	Handbook reference	Decision maker
	revoke its earlier decision		
88F(2)/(5)/(6)(b)	when the *FCA* is proposing or deciding to take action to suspend, limit or restrict a *sponsor's* approval under section 88E		*Executive procedures*
89V(2) 89V(5) 89 V(6)(b)	when the *FCA* is proposing or deciding to take action to suspend, limit or restrict a *primary information provider's* approval under section 89U		*Executive procedures*
122I	when the *FCA* is proposing to suspend or suspends trading in a *financial instrument*	*DTR*	*Executive procedures*
137S(5) 137S(8)(a)	when the *FCA* gives a direction under section 137S		*Executive procedures*
S143U(2)(a)	When the *FCA* decides to grant an application for the variation or revocation of a *prohibition order* under S143N(1) of the *Act*		*Executive procedures*
S143X	When the *FCA* decides to vary or cancel a restriction under S143W(6) of the *Act*		*RDC* or *executive procedures*
191B(1)	when the *FCA* gives a *restriction notice* under section 191B		*Executive procedures*
197(3)/(6)/(7)(b)	[deleted]		
259(3)/(8)/ (9) (b)	when the *FCA* is	*COLL*	*Executive*

Section of the Act	Description	Handbook reference	Decision maker
	exercising its power to give or, on its own initiative, to vary a direction to the *manager* and *trustee* of an *AUT*		*procedures*
261Z1	when the *FCA* gives a direction under section 261X or section 261Z	*COLL*	*Executive procedures*
268(3)/(7)(a) or (9)(a) (as a result of (8)(b)/(13))	when the *FCA* is proposing or deciding to give or, on its own initiative, to vary a direction to the *operator* of a *recognised scheme*	*COLL*	*Executive procedures*
271M	when the *FCA* gives a direction under section 271L	*COLL*	*Executive procedures*
282 (3)/(6)/ (7)(b)	when the *FCA* is exercising its power to give a direction to an *operator*, *trustee* or *depositary* of a *recognised scheme*	*COLL*	*Executive procedures*
301J(1)	when the *FCA* gives a *restriction notice* under section 301J		*Executive procedures*
321(2)/(5)	when the *FCA* is exercising its power to impose a requirement on a former underwriting member of Lloyd's		*Executive procedures*

OEIC Regulations reference	Description	Handbook reference	Decision maker
Regulation 27	when the *FCA* is exercising its power to give or, on its own	*COLL*	*Executive procedures*

OEIC Regulations reference	Description	Handbook reference	Decision maker
	initiative, to vary a direction to an *ICVC* and its *depositary*		

Payment Services Regulations	Description	Handbook reference	Decision maker
12(6), 12(9), 12(10)(b), 15 and 19	when the *FCA* is exercising its powers to vary a *person's* authorisation on its own initiative		*Executive procedures* (Note 1)

Notes:

(1) *FCA* staff under *executive procedures* will take all decisions to give a notice exercising the *FCA's* own initiative power to vary a person's authorisation, including if the action involves:

(a) removing a type of activity from an authorisation or registration; or

(b) refusing an application to include a type of activity in an authorisation or registration; or

(c) restricting a person from taking on new business, dealing with a particular category of customer or refusing an application to vary or cancel such a restriction; or

d) imposing or varying a capital requirement, or refusing an application to vary or cancel such a requirement.

Alternative Investment Fund Managers Regulations 2013	Description	Handbook reference	Decision maker
Regulation 22(4)	where the *FCA* is exercising its power on its own initiative to give or vary a direction under regulation 22(1) to a *small registered UK AIFM*, a *SEF manager* or *RVECA manager*		*Executive procedures* See *DEPP 2.5.7 G* to *DEPP 2.5.8 G*
Regulation 22(4)	[deleted]		

The *Financial Services Act 2012 (Consumer Credit) Order 2013* [deleted]			

The *Immigration Act 2014 (Bank Account) Regulations 2014*	Description	Handbook reference	Decision maker
Regulation 24 and 25	where the *FCA* is proposing or deciding to publish a statement (under regulations 15 or 16) or impose a financial penalty (under regulation 17) or impose a restriction on permission (under regulation 18) or suspend or restrict an approval (under regulation 19)*		*RDC* or *executive procedures*

The *Mortgage Credit Directive Order 2015*	Description	Handbook reference	Decision maker
Article 19(6)	when the *FCA* is exercising its *own-initiative power* to impose a direction		*Executive procedures*See *DEPP 2.5.7G* and *DEPP 2.5.7AG*

The *Payment Accounts Regulations 2015*	Description	Handbook reference	Decision maker
Regulation 30	when the *FCA* is exercising the power to impose a direction		*Executive procedures* See *DEPP 2.5.17G*

Markets in Financial Instruments Regulations 2017	Description	Handbook reference	Decision maker
Regulation 12(2)	when the *FCA* is		*Executive*

Markets in Financial Instruments Regulations 2017	Description	Handbook reference	Decision maker
	exercising its power of intervention in respect of a *third country* firm		*procedures* (see *DEPP 2.5.7G* and *DEPP 2.5.7AG*)
Regulation 28(4)	when the *FCA* is imposing a limitation, restriction or requirement under regulation 28(4)		*Executive procedures* (see *DEPP 2.5.18G*)
Regulation 36(4)	when the *FCA* is imposing a requirement under regulation 36		*Executive procedures* (see *DEPP 2.5.18G*)
Regulations 40(3) and 40(6)	when the *FCA* is proposing or deciding to impose a requirement, or deciding to not rescind the imposition of a requirement that has already taken effect under regulation 40		*Executive procedures*

Data Reporting Services Regulations 2017	Description	Handbook reference	Decision maker
Regulation 22(6)	when the *FCA* is imposing a limitation or other restriction under regulation 22		*Executive procedures*

Packaged Retail and Insurance-based Investment Products Regulations 2017	Description	Handbook reference	Decision maker
Regulations 9(3)(a) and (c)	when the *FCA* is proposing to make an order under regulation		*RDC*

Packaged Retail and Insurance-based Investment Products Regulations 2017	Description	Handbook reference	Decision maker
	4 or makes an order under regulation 4 with immediate effect		
Regulations 9(3)(b) and (d)	when the *FCA* is proposing to increase the period of a suspension under regulation 5(2) or increases the period of a suspension under regulation 5(2) with immediate effect		*RDC*
Regulation 9(6)(a)	when the *FCA* is deciding to make or vary an order made under regulations 4 or 5(2) in the way proposed		*RDC*
Regulation 9(6)(b)	when the *FCA* is deciding not to revoke an order made under regulations 4 and 5(2) or not to rescind the variation of an order made under regulations 4 and 5(2)		*RDC*
Regulation 9(7)(b)	when the *FCA* is deciding to make an order under regulations 4 or 5(2) in different terms or to vary an order made under regulations 4 or 5(2) in a different way		*RDC*

UK Benchmarks Regulations 2018	Description	Handbook reference	Decision maker
Regulation 6(6)	when the *FCA* is exercising its power under regulation 6(2) to		*Executive procedures*

UK Benchmarks Regulations 2018	Description	Handbook reference	Decision maker
	impose, vary or cancel a requirement on its own initiative		

UK Securitisation Regulations	Description	Handbook reference	Decision maker
Regulation 15(3) and (6)	when the *FCA* is exercising its powers under regulation 14 to temporarily withdraw authorisation, vary the period for which a temporary withdrawal has effect or revoke the temporary withdrawal to provide a third-party verification service		*Executive procedures*
Regulation 22(3) and (6)	when the *FCA* is exercising its powers under regulation 21 to impose a temporary ban, vary the period for which a temporary ban has effect or revoke a temporary ban to provide simple, transparent and standardised (STS) notifications		*Executive procedures*

Securitisation Regulations 2024 (SI 2024/102)	Description	Handbook reference	Decision maker
Regulation 7(2)	when the *FCA* is exercising its powers under regulation 6(1) to give directions under section 71O of the *Act* imposing on a *person* or a description of		*Executive procedures*

Securitisation Regulations 2024 (SI 2024/102)	Description	Handbook reference	Decision maker
	persons such requirements as the *FCA* considers appropriate in relation to the carrying out of activities specified under regulation 4		
Regulation 11(2)	when the *FCA* is exercising its powers under regulation 10(3)(a) to remove a transaction from the list of simple transparent and standardised securitisations where the *FCA* does not consider the securitisation to be an *STS securitisation*		*Executive procedures*
Regulation 30(3) and 30(6)(a), (d) or (e)	when the *FCA* is exercising its powers under regulation 29(1) to temporarily withdraw authorisation, under regulation 29(2)(a) to revoke the temporary withdrawal to provide a third-party verification service or under regulation 29(2)(b) to vary the period for which a temporary withdrawal has effect		*Executive procedures*
Regulation 40(3) or (6)(a), (d) or (e)	when the *FCA* is exercising its powers under regulation 39(1) to impose a		*Executive procedures*

Securitisation Regulations 2024 (SI 2024/102)	Description	Handbook reference	Decision maker
	temporary ban under regulation 39(2)(b) to vary the period for which a temporary ban has effect or under regulation 39(2)(a) to revoke a temporary ban to provide simple transparent and standardised notifications		

CRA Regulation	Description	Handbook reference	Decision maker
Article 18(2) and 18(10)	when the *FCA* is exercising its power under article 16 to refuse an application for registration of a *credit rating agency*		*Executive procedures* (see *DEPP 2.5.18G(6)*)
Article 18(2) and 18(10)	when the *FCA* is exercising its power under article 17 to refuse an application for registration of a group of *credit rating agencies*		*Executive procedures* (see *DEPP 2.5.18G(6)*)
Article 18(2) and 18(10)	when the *FCA* is exercising its power under article 20(1) and 20(2) to withdraw the registration of a *credit rating agency* on its own initiative		*Executive procedures* (see *DEPP 2.5.18G(6)*)
Article 18(2) and 18(10)	when the *FCA* is exercising its power under article 20(3) to refuse an application made by a *credit rating agency* to withdraw its		*Executive procedures* (see *DEPP 2.5.18G(6)*)

CRA Regulation	Description	Handbook reference	Decision maker
	registration		
Article 18(2) and 18(10)	when the *FCA* is exercising its power under article 24(1) to impose a direction to temporarily prohibit a *credit rating agency* from issuing credit ratings or to suspend the use of credit ratings issued by a *credit rating agency*		*Executive procedures* (see *DEPP 2.5.18G(6)*)

Trade Repositories (EU Exit) Regulations	Description	Handbook reference	Decision maker
Article 71a(6) and 71a(10)	when the *FCA* is exercising its power under article 58 to refuse an application for registration of a *trade repository*		*Executive procedures*(see *DEPP 2.5.18G(7)*)
Article 71a(6) and 71a(10)	when the *FCA* is exercising its power under article 71(1) or 71(2) to withdraw the registration of a *trade repository* on its own initiative		*Executive procedures*(see *DEPP 2.5.18G(7)*)
Article 71a(6) and 71a(10)	when the *FCA* is exercising its power under article 71(3) to refuse an application made by a *trade repository* to withdraw its registration		*Executive procedures*(see *DEPP 2.5.18G(7)*)

Securities Financing Transactions Regulation	Description	Handbook reference	Decision maker
Article 10a(6)(a)	when the *FCA* is		*Executive*

Securities Financing Transactions Regulation	Description	Handbook reference	Decision maker
and 10a(11)(a)	exercising its power under article 7 of the *Securities Financing Transactions Regulation* to refuse an application for registration of a *trade repository*		*procedures* (see *DEPP 2.5.18G(9)*)
Article 10a(6)(b) and 10a(11)(b)	when the *FCA* is exercising its power to withdraw the registration of a *trade repository* on its own initiative under article 10(1) or 10(2)		*Executive procedures* (see *DEPP 2.5.18G(9)*)
Article 10a(6)(c) and 10a(11)(c)	when the *FCA* is exercising its power to refuse an application made by a *trade repository* to withdraw its registration under article 10(3)		*Executive procedures* (see *DEPP 2.5.18G(9)*)

The ***Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017***	Description	Handbook reference	Decision maker
Regulation 74C(5)	When the *FCA* is exercising its own initiative powers to impose, vary or rescind a direction.		*Executive procedures*

The Public Offers and Admissions to Trading Regulations 2024	Description	Handbook reference	Decision maker
Regulation 38	when the *FCA* proposes to exercise any of the		*Executiv*

The Public Offers and Admissions to Trading Regulations 2024	Description	Handbook reference	Decision maker
	powers in regulations 34 to 37 in relation to a *person*, or exercises any of those powers in relation to a *person* with immediate effect, or decides to maintain, vary or revoke its earlier decision		*e procedures*

Short Selling Regulations 2025 (SI 2025/29)	Description	Handbook reference	Decision maker
Regulation 21	when the *FCA* is exercising its powers to give, vary or revoke a direction		*Executive procedures*
Regulation 23	when the *FCA* is exercising its powers to give, vary or revoke a direction		*Executive procedures*

CHAPTER

DEPP 3 The nature and procedure of the RDC

Section : DEPP 3.1 The Regulatory Decisions Committee

DEPP 3.1.1 G

The *Regulatory Decisions Committee* (*RDC*) is a committee of the *FCA*Board. It is part of the*FCA* It exercises certain regulatory powers on behalf of the *FCA* and is accountable to the *FCA* Board for its decisions generally.

DEPP 3.1.2 G

(1) The *RDC* is separate from the *FCA's* executive management structure. Apart from its Chairman, none of the members of the *RDC* is an *FCA*employee.

(2) All members of the *RDC* are appointed for fixed periods by the *FCA* Board. The *FCA* Board may remove a member of the *RDC*, but only in the event of that member's misconduct or incapacity.

DEPP 3.1.3 G

The *RDC* has its own legal advisers and support staff. The *RDC* staff are separate from the *FCA* staff involved in conducting investigations and making recommendations to the *RDC*.

Section : DEPP 3.2 The operation of the RDC

RDC meetings and composition of panels

DEPP 3.2.1 G The *RDC* meets as often as necessary to discharge its functions. It may do so, in appropriate cases, in writing or by telephone or email or other electronic means. The *RDC* meets in private.

DEPP 3.2.2 G The *RDC* may meet as a full committee, but will ordinarily meet in panels. Each meeting of the *RDC* will generally include:

(1) its Chairman or a Deputy Chairman (who will chair the meeting); and

(2) at least two other members.

DEPP 3.2.3 G The composition and size of panels of the *RDC* may vary depending on the nature of the particular matter under consideration. It will be usual for the panel that is to consider the representations and decide whether to give a *decision notice* to comprise the same members of the *RDC* who previously considered the matter. In particularly complex cases, or those raising novel points of law or practice, it might be appropriate for a larger panel to consider the case at both the warning notice and representations stage, and there may still be cases where it is appropriate that the panel is enlarged to include additional RDC members at the decision notice stage.

Conflicts of interest

DEPP 3.2.4 G The *RDC* will seek not to invite a member to join a panel to consider a matter in which he has a potential conflict of interest.

DEPP 3.2.5 G (1) If a member of the *RDC* has a potential conflict of interest in any matter in which he is asked to participate he will disclose the conflict to the *RDC* Office, and disclose it:

(a) in the case of the Chairman of the *RDC*, to the Chairman or Deputy Chairman of the *FCA*; or

(b) in the case of a Deputy Chairman of the *RDC*, to the Chairman of the *RDC*, or if he is unavailable to the Chairman or Deputy Chairman of the *FCA*; or

(c) in the case of any other member, to the Chairman or a Deputy Chairman of the *RDC*.

(2) If the *person* to whom a conflict has been disclosed in accordance with (1)(a) to (c) considers it reasonable and appropriate, he will require the member of the *RDC* to stand down from consideration of that matter. He may ask another member of the *RDC* to assist him in considering the potential conflict.

DEPP 3.2.6 G The *RDC* Office will record and document all disclosures of potential conflicts of interest and the steps taken to manage them.

Procedure: general

DEPP 3.2.7 G

The *RDC* will follow the procedure described in this section, but subject to that it will conduct itself in the manner the *RDC* Chairman or a Deputy Chairman considers suitable in order to enable the *RDC* to determine fairly and expeditiously the matter which it is considering.

DEPP 3.2.8 G

Each member of the *RDC* present is entitled to vote on the matter under consideration. The chairman of the meeting will have a vote as a member of the *RDC* and will have the casting vote in a tie.

DEPP 3.2.9 G

The *RDC* Chairman or a Deputy Chairman may, acting alone, decide:

(1) matters relating to the arrangements for an *RDC* meeting, including its timing; and

(2) the composition of the panel to consider a particular matter.

DEPP 3.2.10 G

If the *RDC* considers it relevant to its consideration, it may ask *FCA* staff to explain or provide any or all of the following:

(1) additional information about the matter (which *FCA* staff may seek by further investigation); or

(2) further explanation of any aspect of the *FCA* staff recommendation or accompanying papers; or

(3) information about *FCA* priorities and policies (including as to the *FCA's* view on the law or on the correct legal interpretation of provisions of the *Act*).

DEPP 3.2.11 G

The *RDC* has no power under the *Act* to require *persons* to attend before it or provide information. It is not a tribunal and will make a decision based on all the relevant information available to it, which may include views of *FCA* staff about the relative quality of witness and other evidence.

DEPP 3.2.11A G

Where a *warning notice* is given on the basis of a *focused resolution agreement*, the *RDC* shall accept and not in any circumstances depart from the agreed position on the issues set out in that agreement.

Procedure: warning notices

DEPP 3.2.12 G

If *FCA* staff consider that action is appropriate in a matter for which the *RDC* is the decision maker, they will make a recommendation to the *RDC* that a *warning notice* should be given.

DEPP 3.2.13 G

In accordance with *DEPP 2.2* the *RDC* will consider whether it is right in all the circumstances to give the statutory notice.

DEPP 3.2.14 G

If the *RDC* decides that the *FCA* should give a *warning notice*:

(1) the *RDC* will settle the wording of the *warning notice* and will ensure that the notice complies with the relevant provisions of the *Act*;

(2) the *RDC* will make any relevant *statutory notice associated decisions*;

(3) the *RDC* staff will make appropriate arrangements for the notice to be given; and

(4) the *RDC* staff will make appropriate arrangements for the disclosure of the substantive communications between the *RDC* and the *FCA* staff who made the recommendation on which the *RDC's* decision is based. This may include providing copies in electronic format.

DEPP 3.2.14A G

If *FCA* staff consider that it is appropriate to publish information about the matter to which a *warning notice* falling within section 391(1ZB) of the and given by the *RDC Act* relates, they will make a recommendation to the *RDC* that such information should be published.

DEPP 3.2.14B G

The *RDC* will then consider whether it is appropriate in all the circumstances to publish information about the matter to which the *warning notice* falling within *section 391(1ZB)* of the *Act* relates. The *FCA's* policy on publishing such information is set out in *ENFG 4* .

DEPP 3.2.14C G

If the *RDC* proposes that the *FCA* should publish information about the matter to which a *warning notice* falling within *section 391(1ZB)* of the *Act* relates:

(1) the *RDC* will settle the wording of the statement it proposes the *FCA* should publish (warning notice statement);

(2) the *RDC* staff will make appropriate arrangements for the warning notice statement it proposes the *FCA* should publish to be given to the persons to whom the *warning notice* was given or copied;

(3) the proposed warning notice statement will specify the time allowed for the recipient to respond in writing to the *RDC*. This will normally be 14 *days*;

(4) the recipient of a proposed warning notice statement may request an extension of the time allowed for its response. Such a request must normally be made within seven days of the proposed warning notice statement being given; and

(5) the *RDC* will not normally grant a request by a person to whom the warning notice statement was given to make his response in person.

DEPP 3.2.14D G

If no response to the proposed warning notice statement is received, the *FCA* will make appropriate arrangements to publish the warning notice statement.

DEPP 3.2.14E G

However, if the *RDC* receives a response from the person to whom the proposed warning notice statement was given, the *RDC* will consider their response and decide whether it is appropriate in all the circumstances to publish information about the matter to which the *warning notice* relates.

DEPP 3.2.14F G

If the *RDC* decides that the *FCA* should publish a warning notice statement:

(1) the *RDC* will notify the relevant parties (including the relevant *FCA* staff) in writing of that decision;

(2) the *RDC* will settle the wording of the warning notice statement; and

(3) the *FCA* will make appropriate arrangements for the warning notice statement to

be published.

DEPP 3.2.14G G If the *RDC* decides that the *FCA* should not publish a warning notice statement the *RDC* staff will notify the relevant parties (including the relevant *FCA* staff) in writing of that decision.

DEPP 3.2.14H G References to the *RDC* in *DEPP 3.2.14A G* to *DEPP 3.2.14G G* are to the Chairman of the *RDC* panel which issued the *warning notice* or, if he is unavailable, either the Chairman of the *RDC* or a Deputy Chairman of the *RDC*.

Procedure: representations

DEPP 3.2.15 G (1) A *warning notice* will (as required by the *Act*) specify the time allowed for making representations. This will not be less than 14 *days*.

(2) The *FCA* will also, when giving a *warning notice* specify a time within which the recipient is required to indicate whether he wishes to make oral representations.

DEPP 3.2.16 G (1) The recipient of a *warning notice* may request an extension of the time allowed for making representations. Such a request must normally be made within seven *days* of the notice being given.

(2) If a request is made, the Chairman or a Deputy Chairman of the *RDC* will decide whether to allow an extension, and, if so, how much additional time is to be allowed for making representations. In reaching their decision they will take into account all relevant factors including the legal and factual complexity of the case, as well as whether there are any factors outside the control of the *firm* or *individual* that would materially impact on their ability to respond within the period set out in the *warning notice*. They may also take account of any relevant comments from the *FCA* staff responsible for the matter.

(3) The *RDC* staff will notify the relevant party and the *FCA* staff responsible for the matter of the decision in writing.

DEPP 3.2.17 G (1) If the recipient of a *warning notice* indicates that he wishes to make oral representations, the *RDC* staff, in conjunction with the Chairman or a Deputy Chairman of the *RDC*, will fix a date or dates for a meeting at which the relevant *RDC* members will receive those representations.

(2) In making those arrangements the *RDC* staff will draw the Chairman's or Deputy Chairman's attention to any particular issues about the timing of the meeting which have been raised by the recipient of the notice or the relevant *FCA* staff.

DEPP 3.2.18 G The chairman of the relevant meeting will ensure that the meeting is conducted so as to enable:

(1) the recipient of the *warning notice* to make representations;

(2) the relevant *FCA* staff to respond to those representations;

(3) the *RDC* members to raise with those present any points or questions about the matter (whether in response to particular representations or more generally about the matter); and

(4) the recipient of the notice to respond to points made by *FCA*staff or the *RDC*;

but the chairman may ask the recipient of the notice or *FCA* staff to limit their representations or response in length or to particular issues arising from the *warning notice*. If the *warning notice* was given on the basis of a *focused resolution agreement*, the recipient will be required to limit their representations to the issues that remain in dispute.

DEPP 3.2.19 G The recipient of the *warning notice* may wish to be legally represented at the meeting, but this is not a requirement.

DEPP 3.2.20 G In appropriate cases, the chairman of a meeting for oral representations may ask those present to provide additional information in writing after the meeting. If he does so, he will specify the time within which that information is to be provided.

DEPP 3.2.21 G The *RDC* will not, after the *FCA* has given a *warning notice* meet with or discuss the matter whilst it is still ongoing with the *FCA* staff responsible for the case without other relevant parties being present or otherwise having the opportunity to respond.

Procedure: decision notices

DEPP 3.2.22 G If no representations are made in response to the *warning notice*, the *FCA* will regard as undisputed the allegations or matters set out in the notice and the default procedure will apply: see *DEPP 2.3.2 G* to *DEPP 2.3.4 G*.

DEPP 3.2.22A G If the *person* subject to enforcement action notifies the *RDC* that they wish to make an expedited reference to the *Tribunal* under *DEPP 5.1.8GG*, the *RDC* shall decide whether to give a *decision notice* in the light of any representations by any third party under *section 393* of the *Act* and any other *interested party* under *section 63* or *67* of the *Act* (see *DEPP 5.1.8IG*).

DEPP 3.2.23 G In any case in which representations are made, in accordance with *DEPP 2.3.1 G*, the *RDC* will consider whether it is right in all the circumstances to give the *decision notice*.

DEPP 3.2.24 G If the *RDC* decides that the *FCA* should give a *decision notice*:

(1) the *RDC* will settle the wording of the notice which will include a brief summary of the key representations made and how they have been dealt with, and will ensure that the notice complies with the relevant provisions of the *Act*;

(2) the *RDC* will make any relevant *statutory notice associated decisions*, including whether the *FCA* is required to give a copy of the notice to a third party; and

(3) the *RDC* staff will make appropriate arrangements for the notice to be given.

DEPP 3.2.25 G If the *RDC* decides that the *FCA* should not give a *decision notice* the *RDC* staff will notify

the relevant parties (including the relevant *FCA* staff) in writing of that decision.

Discontinuance of FCA action

DEPP 3.2.26 G

FCA staff responsible for recommending action to the *RDC* will continue to assess the appropriateness of the proposed action in the light of new information or representations they receive and any material change in the facts or circumstances relating to a particular matter. It may be therefore that they decide to give a *notice of discontinuance* to a *person* to whom a *warning notice* or *decision notice* has been given. The decision to give a *notice of discontinuance* does not require the agreement of the *RDC*, but *FCA* staff will inform the *RDC* of the discontinuance of the proceedings.

Tribunal proceedings

DEPP 3.2.27 G

A decision by the *RDC* to give a *decision notice* may lead to a reference to the *Tribunal* under the *Act*. The conduct of proceedings before the *Tribunal* is not however a matter for the *RDC*.

Section : DEPP 3.3 Straightforward decisions

DEPP 3.3.1 G

In *statutory notice* cases for which the *RDC* is the decision-maker, the Chairman or a Deputy Chairman of the *RDC* may take a straightforward decision to give the *statutory notice*.

DEPP 3.3.2 G

The Chairman or, if he is unavailable, a Deputy Chairman will decide whether a decision is straightforward. In doing so he will have regard to all the circumstances. These may include:

(1) the significance of the decision to those who would be affected by it;

(2) its novelty in the light of stated policy and established practice;

(3) the complexity of the relevant considerations, including whether representations have been made;

(4) the range of alternative options;

(5) the extent to which the facts relating to the decision are or may be disputed.

DEPP 3.3.3 G

The *RDC* Chairman or a Deputy Chairman may, notwithstanding the fact that a decision is straightforward, take the decision to give the *statutory notice* jointly with one or more other members of the *RDC* if he considers it appropriate to do so.

CHAPTER

DEPP 4 Decisions by FCA staff under executive procedures

Section : DEPP 4.1 Executive decision maker

Who takes the decision

DEPP 4.1.1 G All *statutory notice decisions* under *executive procedures* and decisions referred to in *DEPP 2.5.6A G* will be taken either by a *senior staff committee* or by an individual *FCA* staff member.

DEPP 4.1.2 G In the case of a *senior staff committee*, the decision will be taken by *FCA* staff who have not been directly involved in establishing the evidence on which the decision is based or by two or more *FCA* staff who include a person not directly involved in establishing that evidence, except in accordance with *section 395(3)* of the *Act*.

DEPP 4.1.2A G In the case of an individual *FCA* staff member, the decision will be taken by someone who has not been directly involved in establishing the evidence on which the decision is based, except in accordance with *section 395(3)* of the *Act*.

DEPP 4.1.2B G A decision made in accordance with section 395(3) of the *Act* by an individual *FCA* staff member who has been directly involved in establishing the evidence on which the decision is based will be taken by a member of *FCA* staff of at least Director level (which may include an acting Director).

Decisions by senior staff committee

DEPP 4.1.3 G An *FCA* senior executive committee will from time to time determine that particular categories of *statutory notice decision* to be taken under *executive procedures* and decisions referred to in *DEPP 2.5.6A G* may be taken by a *senior staff committee*.

DEPP 4.1.4 G A *senior staff committee* will consist of such *FCA* staff members as an *FCA* senior executive committee may from time to time determine. An *FCA* senior executive committee may authorise the chairman of a *senior staff committee* to select its other members. A *senior staff committee* is accountable for its decisions to an *FCA* senior executive committee and, through it, to the *FCA* Board.

DEPP 4.1.5 G A *senior staff committee* may operate through standing or specific sub-committees to consider particular decisions or classes of decision, for which accountability will lie through the committee. Each meeting of a *senior staff committee*, or sub-committee, will include:

(1) an individual with authority to act as its chairman; and

(2) at least one other member.

DEPP 4.1.6 G A *senior staff committee* will operate on the basis of a recommendation from an *FCA* staff member of at least the level of associate, and with the benefit of legal advice from an *FCA* staff member of at least the level of associate.

Decisions by individual FCA staff members

DEPP 4.1.7 G

Statutory notice decisions to be taken under *executive procedures* and decisions referred to in *DEPP 2.5.6A G*, which are not made by a *senior staff committee*, will be taken by an individual *FCA* staff member. Subject to *DEPP 2.5.7B*, the decision will be:

(1) made by an executive director of the *FCA* Board or his delegate (who will be of at least the level of associate);

(2) on the recommendation of an *FCA* staff member of at least the level of associate; and

(3) with the benefit of legal advice from an *FCA* staff member of at least the level of associate.

except for decisions made in relation to consumer redress schemes pursuant to provisions of the Consumer Redress Schemes sourcebook (*CONRED*), where (1) will apply, but not (2) or (3).

DEPP 4.1.8 G

The individual who takes a decision under *executive procedures* is accountable to the *FCA* Board directly (if an executive director) or otherwise through line management responsible for the decision concerned.

DEPP 4.1.9 G

An *FCA* staff member who considers that a *statutory notice decision* or a decision referred to in *DEPP 2.5.6A G* should be taken above his own level is free to refer that decision to a more senior level. If an *FCA* staff member consults another staff member about a decision, the decision remains the independent decision of the *FCA* staff member who consults his colleague, unless it is agreed that the decision should instead be taken by the colleague, and the colleague has the delegated authority to do so.

DEPP 4.1.10 G

If an individual responsible for a decision under *executive procedures* (or a more senior *FCA* staff member with responsibilities in relation to the decision concerned) considers that it warrants collective consideration, the individual may:

(1) take the decision himself, following consultation with other *FCA* staff members, as above; or

(2) refer it to a *senior staff committee*, which will take the decision itself.

Conflicts of interest

DEPP 4.1.11 G

(1) *FCA*staff are required by their contract of employment to comply with a code of conduct which imposes strict rules to cover the handling of conflicts of interest which may arise from personal interests or associations. *FCA* staff subject to a conflict of interest must declare that interest to the *person* to whom they are immediately responsible for a decision.

(2) If a member of a *senior staff committee* has a potential conflict of interest in any matter in which they are asked to participate they will disclose the conflict to the secretariat of the *senior staff committee*, and disclose it:

(a) in the case of the chairman of the senior staff committee, to a member of an *FCA* senior executive committee or, if the *person* with the conflict is the chairman of an *FCA* senior executive committee, to the Chairman of the *FCA*;

(b) in the case of the deputy chairman of the senior staff committee, to the chairman of the committee, or if they are unavailable, to a member of an *FCA* senior executive committee;

(c) in the case of any other member to the chairman or deputy chairman of the *senior staff committee*.

(3) If the person to whom the conflict has been disclosed in accordance with *DEPP 4.1.11 G (2)* considers it reasonable and appropriate, they will require the member of the *senior staff committee* to stand down from consideration of the matter.

DEPP 4.1.12 G The secretariat to the *senior staff committee* will record and document all disclosures of potential conflicts of interest and the steps taken to manage them.

Procedure

DEPP 4.1.13 G The procedure for taking decisions under *executive procedures* will generally be less formal and structured than that for decisions by the *RDC*. Broadly, however, *FCA* staff responsible for taking *statutory notice* decisions under *executive procedures* will follow a procedure similar to that described at *DEPP 3.2.7 G* to *DEPP 3.2.27 G* for the *RDC* except that:

(-1)
oral representations will not be permitted unless there are exceptional circumstances (*DEPP 2.3.1A*);

(1) in a case where the decision will be taken by a *senior staff committee*:
the chairman or deputy chairman of the *senior staff committee* will perform the role of the Chairman of the *RDC*;

(2) in a case where the decision will be taken by individual members of *FCA* staff, the distinction between the role of the *RDC*, its Chairman and the *RDC* staff has no application;

(3) the *FCA* staff responsible for taking the *statutory notice decision* may be advised by legal advisers who have also advised *FCA* staff recommending action by the *FCA*;

(4) the *FCA* will not normally disclose the communications between the *FCA* staff recommending that action be taken and those responsible for the decision to give the *statutory notice* unless the *FCA* has stated publicly that it will adopt a practice of disclosing such communications, or a class of communications, in respect of particular categories of decision taken by *FCA* staff under *executive procedures*; and

(5) *DEPP 3.2.11 G* and *DEPP 3.2.21 G* will not apply.

DEPP 4.1.14 G Broadly, *FCA* staff responsible for taking decisions referred to in *DEPP 2.5.6A G* will follow a procedure similar to that described at *DEPP 3.2.7 G* to *DEPP 3.2.27 G* for the *RDC* (subject to the exceptions in *DEPP 4.1.13 G (1)* to *DEPP 4.1.13 G (5)* which also reflects that these decisions are not *statutory notice* decisions.

Section : DEPP 4.2 Urgent statutory notice cases [deleted]

DEPP 4.2 [deleted]

CHAPTER

DEPP 5 Settlement decision procedure

Section : DEPP 5.1 Settlement decision makers

Introduction

DEPP 5.1.1 G

(1) A *person* subject to enforcement action may agree to a financial penalty or other outcome rather than contest formal action by the *FCA*.
Alternatively, they may enter into a *focused resolution agreement* and in this way partly contest the proposed action (see *DEPP 5.1.8AG* to *DEPP 5.1.8DG*).

(1A) Further, even if the *person* subject to enforcement action wishes to fully contest the proposed enforcement action, they may choose to do so by (i) agreeing to the *FCA* issuing the required *statutory notices* and (ii) then making an expedited reference of the matter to the *Tribunal* (see *DEPP 5.1.8EG* to *DEPP 5.1.8JG*).

(2) The fact that a *person* does any of these things will not usually obviate the need for *statutory notices* recording the *FCA's* proposal and decision to take action. As set out in this chapter, senior *FCA* staff have a role to play in giving the requisite *statutory notices*:

(a) where a person enters into a *settlement agreement* (other than a *focused resolution agreement*), senior *FCA* staff will give both the *warning notice* and *decision notice*;

(b) where a *person* enters into a *focused resolution agreement*, senior *FCA* staff will give the *warning notice* and the *RDC* will decide whether to give a *decision notice* and the terms of any notice given; and

(c) where a *person* elects to make an expedited reference to the *Tribunal* before a *warning notice* has been issued, senior *FCA* staff will then give the *warning notice* and *decision notice*.

(3) These decisions by senior *FCA* staff will be taken jointly by two members of the *FCA's* senior management, one of whom will be of at least director of division level (which may include an acting director) and the other of whom will be of at least head of department level (the "*settlement decision makers*").

(4) At least one of the *settlement decision makers* will not be from the Enforcement and Market Oversight Division. The other *settlement decision maker* will usually be, but need not be, from the Enforcement and Market Oversight Division. A *settlement decision maker* will not have been directly involved in establishing the evidence on which the decision is based.

(5) "Statutory notice" for these purposes:

(a) means any *statutory notice* the giving of which would otherwise require a decision by the *RDC*;

(b) includes a *statutory notice associated decision*.

Procedure: general

DEPP 5.1.2 G

A *person* who is or may be subject to enforcement action may wish to discuss the proposed action with *FCA* staff through settlement discussions.

DEPP 5.1.3 G

Settlement discussions may take place at any time during the enforcement process if both parties agree. This might be before the giving of a *warning notice*, before a *decision notice*, or even after referral of the matter to the *Tribunal*. But the *FCA* would not normally agree to detailed settlement discussions until it has a sufficient understanding of the nature and gravity of the suspected misconduct or issue to make a reasonable assessment of the appropriate outcome. Settlement after a *decision notice* will be rare.

DEPP 5.1.4 G

*FCA*staff and the *person* concerned may agree that neither the *FCA* nor the *person* concerned would seek to rely against the other on any admissions or statements made in the course of their settlement discussions if the matter is considered subsequently by the *RDC* or the *Tribunal*.

Procedure: participation of decision makers in discussions

DEPP 5.1.5 G

(1) The *settlement decision makers* may, but need not, participate in the discussions exploring possible settlement.

(2) If the *settlement decision makers* have not been involved in the discussions, but an agreement has been reached, they may ask to meet the relevant *FCA* staff or the *person* concerned in order to assist in the consideration of the proposed settlement.

DEPP 5.1.6 G

The terms of any proposed settlement:

(1) will be put in writing and be agreed by *FCA* staff and the *person* concerned;

(2) may refer to a draft of the proposed *statutory notices* setting out the facts of the matter and the *FCA's* conclusions;

(3) may, depending upon the stage in the enforcement process at which agreement is reached, include an agreement by the *person* concerned to:

(a) waive and not exercise any rights under sections 387 (Warning notices) and 394 (Access to Authority material) of the *Act* to notice of, or access to, material relied upon by the *FCA* and any secondary material which might undermine the *FCA* decision to give the *statutory* notice;

(b) waive and not exercise any rights under *section 387* of the *Act* or otherwise to make representations to the *RDC* in respect of a *warning notice* or first *supervisory notice*;

(c) not object to the giving of a *decision notice* before the expiry of the 14 day period after the giving of a *warning notice* specified under *section 387* of the *Act*;

(d) not dispute with the *FCA* the facts and matters set out in a *warning notice*, *decision notice*, *supervisory notice* or *final notice* and to waive and not exercise any right under section 208 (Decision notice) of the *Act* to refer the matter to the *Tribunal*.

DEPP 5.1.7 G

The *settlement decision makers* may:

(1) accept the proposed settlement by deciding to give a *statutory notice* based on

the terms of the settlement; or

(2) decline the proposed settlement;

whether or not the *settlement decision makers* have met with the relevant *FCA* staff or the *person* concerned.

DEPP 5.1.8 G

(1) Where the *settlement decision makers* decline to issue a *statutory notice* despite the proposed settlement, they may invite *FCA* staff and the *person* concerned to enter into further discussions to try to achieve an outcome the *settlement decision makers* would be prepared to endorse.

(2) However, if the proposed action by the *FCA* has been submitted to the *RDC* for consideration, it will be for the *RDC* to decide:

(a) whether to extend the period for representations in response to a *warning notice or* first *supervisory notice*; or

(b) if representations have been made in response to a *warning notice or* first *supervisory notice*, whether to proceed to give a *decision notice or* second *supervisory notice*.

Procedure: focused resolution agreements

DEPP 5.1.8A G

The issues which may be agreed under a *focused resolution agreement* include, but are not limited to:

(1) questions of fact;

(2) whether specified facts amount to a *breach* (or more than one *breach*);

(3) whether action for a financial penalty and/or *public censure* is warranted;

(4) the appropriate level of a financial penalty;

(5) whether action for a suspension, restriction, condition or limitation (as defined for the purposes of *DEPP 6A*) is warranted;

(6) the appropriate length of a suspension, restriction, condition or limitation (as defined for the purposes of *DEPP 6A*);

(7) whether a *prohibition order* is warranted; and/or

(8) the appropriate scope of such a *prohibition order*.

DEPP 5.1.8B G

The terms of any proposed *focused resolution agreement*:

(1) will be put in writing and be agreed by *FCA* staff and the *person* concerned;

(2) may refer to a draft of the proposed *warning notice*; and

(3) may, depending upon the stage in the enforcement process at which agreement is reached, include an agreement by the *person* concerned to:

(a) waive and not exercise any rights under sections 387 (Warning notices) and 394 (Access to Authority material) of the *Act* to notice of, or access to, material relied upon by the *FCA* and any secondary material which might undermine the *FCA* decision to give the *statutory notice*, except in relation to material that is relevant to issues which remain in dispute; and

(b) not dispute the issues agreed with the *FCA* when:

(i) making representations to the *RDC* in respect of a *warning notice* (whether in exercise of rights under *section 387* of the *Act* or otherwise); or

(ii) on any subsequent reference of the matter to the *Tribunal* under (except where the *Tribunal* decides of its own motion to reopen an issue or issues).

DEPP 5.1.8C G

Where the proposed settlement is on the basis of a *focused resolution agreement*, the role of the *settlement decision makers* shall be as follows:

(1) The *settlement decision makers* will decide whether or not to give a *warning notice*. (For the avoidance of doubt, the *settlement decision makers* may meet the relevant *FCA* staff or the *person* concerned in accordance with *DEPP 5.1.5G* and any such meeting shall not affect the *settlement decision makers*' ability to decide whether or not to give a *warning notice*).

(2) If the *settlement decision makers* decline to give a *warning notice* based on the proposed *focused resolution agreement*, they may invite *FCA* staff and the *person* concerned to enter into further discussions to try to achieve an outcome the *settlement decision makers* would be prepared to endorse.

(3) If the *settlement decision makers* are satisfied with the proposed *focused resolution agreement*, they shall give a *warning notice* based on the proposed resolution agreement which records the agreed position on the agreed issues and the position of the *FCA* on those issues which remain in dispute.

(4) Where the *settlement decision makers* give a *warning notice*, the notice will specify the time allowed for making representations. This will not be less than 14 *days*.

(5) The *settlement decision makers* will promptly inform the *RDC* that a *warning notice* has been given. The *FCA* will then specify a time within which the *recipient* of the notice is required to indicate whether they wish to make oral representations.

(6) It will then be for the *RDC* to decide whether to give a *decision notice* under the procedure set out in *DEPP 3.2.16G* to *DEPP 3.2.25G*.

DEPP 5.1.8D G

For the avoidance of doubt, the decision whether to agree a proposed *focused resolution agreement* is entirely within the discretion of the *settlement decision makers*.

Procedure: expedited references to the Tribunal

DEPP 5.1.8E G

(1) The purpose of this section is to define a procedure (the "expedited reference procedure") enabling a *person* subject to enforcement action to challenge the proposed action before the *Tribunal* without engaging with the *FCA's* internal decision-making process.

(2) *DEPP 5.1.8FG* to *DEPP 5.1.8IG* set out the circumstances in which the expedited reference procedure is available, the steps a *person* must take to make use of the

procedure, and how the procedure operates, depending on whether it is invoked before or after the *warning notice* is given.

DEPP 5.1.8F G

The expedited reference procedure is available only if:

(1) the proposed action requires the *FCA* to issue a *warning notice*;

(2) the *FCA* considers that it has a sufficient understanding of the nature and gravity of the *breach* to make a reasonable assessment of the appropriate penalty or other outcome; and

(3) the *FCA* has communicated that assessment to the *person* concerned.

DEPP 5.1.8G G

To use the expedited reference procedure, the *person* subject to enforcement action must notify the *FCA* that they:

(1) wish to make an expedited reference to the Tribunal; and

(2) waive and will not exercise any rights under *section 387(2)* of the *Act* in respect of the *warning notice* given (or to be given) in relation to the proposed action.

DEPP 5.1.8H G

To use the expedited reference procedure before a *warning notice* has been given:

(1) the notification set out in *DEPP 5.1.8GG* must be given to *FCA* staff;

(2) the decision to issue a *warning notice* will then be taken by the *settlement decision makers*; and

(3) the decision to issue a *decision notice* will also be taken by the *settlement decision makers*, taking into consideration any representations by any third party under *section 393* of the *Act* or any *interested party* under *section 63* or *67* of the *Act*.

DEPP 5.1.8I G

To use the expedited reference procedure after a *warning notice* has been given:

(1) the notification set out in *DEPP 5.1.8GG* must be given to the *RDC*; and

(2) the decision to issue a *decision notice* will then be taken by the *RDC* in light of any representations by any third party under *section 393* of the *Act* and any *interested party* under *section 63* or *67* of the *Act*.

DEPP 5.1.8J G

Once a *decision notice* has been given as part of the expedited reference procedure (whether by the *settlement decision makers* or the *RDC*), it is the responsibility of the *person* subject to enforcement action to seek to refer the matter to the *Tribunal* under the *Act* if they so wish. If the matter is not referred to the *Tribunal* within the time required under *section 390(1)* of the *Act*, the *FCA* will, on taking the action to which the *decision notice* relates, give a *final notice*.

Procedure: warning notice statements

DEPP 5.1.8K G

If *FCA* staff consider that it is appropriate to publish information about the matter to which a *warning notice* falling within *section 391(1ZB)* of the *Act* relates and is given by the *settlement decision makers*, they will make a recommendation to the *settlement decision makers* that such information should be published.

DEPP 5.1.8L G

The *settlement decision makers* will then consider whether it is appropriate in all the circumstances to publish information about the matter to which the *warning notice* falling within *section 391(1ZB)* of the *Act* relates. The *FCA's* policy on publishing such information is set out in *ENFG 4* .

DEPP 5.1.8M G

If the *settlement decision makers* propose that the *FCA* should publish information about the matter to which a *warning notice* falling within *section 391(1ZB)* of the *Act* relates:

(1) the *settlement decision makers* will settle the wording of the statement it proposes the *FCA* should publish (warning notice statement);

(2) the *FCA* staff will make appropriate arrangements for the warning notice statement that the *settlement decisions makers* propose the *FCA* should publish to be given to the *persons* to whom the *warning notice* was given or copied;

(3) the proposed warning notice statement will specify the time allowed for the *recipient* to respond in writing to the *settlement decision makers*. This will normally be 14 days;

(4) the *recipient* of a proposed warning notice statement may request the *settlement decision makers* to grant an extension of the time allowed for its response. Such a request must normally be made within seven *days* of the proposed warning notice statement being given; and

(5) the *settlement decision makers* will not normally grant a request by a *person* to whom the warning notice statement was given to make their response in person.

DEPP 5.1.8N G

If no response to the proposed warning notice statement is received, the *FCA* will make appropriate arrangements to publish the warning notice statement.

DEPP 5.1.8O G

If the *settlement decision makers* receive a response from the *person* to whom the proposed warning notice statement was given, the *settlement decision makers* will consider their response and decide whether it is appropriate in all the circumstances to publish information about the matter to which the *warning notice* relates.

DEPP 5.1.8P G

If the *settlement decision makers* decide that the *FCA* should publish a warning notice statement:

(1) the *settlement decision makers* will notify the relevant parties (including the relevant *FCA* staff) in writing of that decision;

(2) the *settlement decision makers* will settle the wording of the warning notice statement; and

(3) the *FCA* will make appropriate arrangements for the warning notice statement to be published.

DEPP 5.1.8Q G

If the *settlement decision makers* decide that the *FCA* should not publish a warning notice statement they will notify the relevant parties (including the relevant *FCA* staff) in writing of that decision.

Settlement by mediation

DEPP 5.1.9 G

The *FCA* and other parties may agree to mediation as a way of facilitating settlement in appropriate cases.

Third party rights

DEPP 5.1.10 G

(1) *DEPP 2.4* sets out the *FCA's* approach to giving third parties copies of *statutory notices* pursuant to section 393 (Third party rights) of the *Act*.

(2) The decision to give a *warning notice* or a *decision notice* to a third party is a *statutory notice associated decision*.

(3) In cases therefore where the decision to give a *warning notice* or *decision notice* is taken by *settlement decision makers*, those decision makers will decide whether a copy of the notice should be given to a third party in accordance with *section 393* of the *Act*. Any representations made by the third party in response to a *warning notice* will be considered by the *settlement decision makers*

CHAPTER

DEPP 6 Penalties

Section : DEPP 6.1 Introduction

DEPP 6.1.1 G

DEPP 6 includes the *FCA's* statement of policy with respect to the imposition and amount of penalties under the *Act*, as required by sections 63C(1), 69(1), 88C, 89S, 93(1), 124(1), 131J(1), 192N, 210(1), 312J and 345D of the *Act*.

DEPP 6.1.1A G

DEPP 6 includes the *FCA's* statement of policy with respect to the imposition and amount of penalties under:

(1) Regulation 9(1)(c) and (d) of the *UK Securitisation Regulations*;

(2) Regulation 46(1)(c) and (d) of the *Securitisation Regulations 2024*; and

(3) Regulation 42(1) of the *Public Offers and Admissions to Trading Regulations*.

DEPP 6.1.2 G

The principal purpose of imposing a financial penalty or issuing a *public censure* is to promote high standards of regulatory and/or market conduct by deterring *persons* who have committed *breaches* from committing further *breaches*, helping to deter other *persons* from committing similar *breaches*, and demonstrating generally the benefits of compliant behaviour. Financial penalties and *public censures* are therefore tools that the *FCA* may employ to help it to achieve its *statutory objectives*.

Section : DEPP 6.2 Deciding whether to take action

DEPP 6.2.1 G

The *FCA* will consider the full circumstances of each case when determining whether or not to take action for a financial penalty or *public censure* . Set out below is a list of factors that may be relevant for this purpose. The list is not exhaustive: not all of these factors may be applicable in a particular case, and there may be other factors, not listed, that are relevant.

(1) The nature, seriousness and impact of the suspected *breach* , including:

(a) whether the *breach* was deliberate or reckless;

(b) the duration and frequency of the *breach* ;

(c) the amount of any benefit gained or loss avoided as a result of the *breach* ;

(d) whether the *breach* reveals serious or systemic weaknesses of the management systems or *internal controls* relating to all or part of a *person's* business;

(e) the impact or potential impact of the *breach* on the orderliness of markets including whether confidence in those markets has been damaged or put at risk;

(f) the loss or risk of loss caused to *consumers* or other market users;

(g) the nature and extent of any *financial crime* facilitated, occasioned or otherwise attributable to the *breach* ; and

(h) whether there are a number of smaller issues, which individually may not justify disciplinary action, but which do so when taken collectively.

(2) The conduct of the *person* after the *breach* , including the following:

(a) how quickly, effectively and completely the *person* brought the *breach* to the attention of the *FCA* or another relevant regulatory authority;

(b) the degree of co-operation the *person* showed during the investigation of the *breach* ;

(c) any remedial steps the *person* has taken in respect of the *breach* ;

(d) the likelihood that the same type of *breach* (whether on the part of the *person* under investigation or others) will recur if no action is taken;

(e) whether the *person* concerned has complied with any requirements or rulings of another regulatory authority relating to his *behaviour* (for example, where relevant, those of the *Takeover Panel* or an *RIE*); and

(f) the nature and extent of any false or inaccurate information given by the person and whether the information appears to have been given in an attempt to knowingly mislead the *FCA* .

(3) The previous disciplinary record and compliance history of the *person* including:

(a) whether the *FCA* (or any *previous regulator*) has taken any previous disciplinary action resulting in adverse findings against the *person* ;

(b) whether the *person* has previously undertaken not to do a particular act or engage in particular *behaviour* ;

(c) whether the *FCA* (or any *previous regulator*) has previously taken protective action in respect of a *firm* , using its own initiative powers, by means of a variation of a *Part 4A permission* or otherwise, or has previously requested the *firm* to take remedial action, and the extent to which such action has been taken; and

(d) the general compliance history of the *person* , including whether the *FCA* (or any *previous regulator*) has previously issued the *person* with a private warning.

(4) *FCA guidance* and other published materials:

The *FCA* will not take action against a person for *behaviour* that it considers to be in line with *guidance* , other materials published by the *FCA* in support of the *Handbook* or *FCA* -confirmed Industry Guidance which were current at the time of the *behaviour* in question. (The manner in which *guidance* and other published materials may otherwise be relevant to an enforcement case is described in *ENFG 3.4* .)

(4A) *FCA-recognised industry codes* :

Behaviour that is in line with a *FCA-recognised industry code* will tend to indicate compliance, in carrying out *unregulated activities* , with applicable *FCA rules* that reference 'proper standards of market conduct'. In such cases, the *FCA* will usually not take action against a person for behaviour, in relation to *unregulated activities* , that it considers to be in line with the relevant *FCA-recognised industry code* .

(5) Action taken by the *FSA* or *FCA* in previous similar cases.

(6) Action taken by other domestic or international regulatory authorities:

Where other regulatory authorities propose to take action in respect of the *breach* which is under consideration by the *FCA* , or one similar to it, the *FCA* will consider whether the other authority's action would be adequate to address the *FCA's* concerns, or whether it would be appropriate for the *FCA* to take its own action.

DEPP 6.2.2 G

When deciding whether to take action for *market abuse*, the *FCA* may consider the following additional factors:

(1) The degree of sophistication of the users of the market in question, the size and liquidity of the market, and the susceptibility of the market to *market abuse*.

(2) The impact, having regard to the nature of the *behaviour*, that any financial penalty or *public censure* may have on the financial markets or on the interests of *consumers*:

(a) a penalty may show that high standards of market conduct are being enforced in the financial markets, and may bolster market confidence;

(b) a penalty may protect the interests of *consumers* by deterring future *market abuse* and improving standards of conduct in a market;

(c) in the context of a *takeover bid*, the *FCA* may consider that the impact of the use of its powers is likely to have an adverse effect on the timing or outcome of that bid, and therefore it would not be in the interests of financial markets or *consumers* to take action for *market abuse* during the *takeover bid*. If the *FCA* considers that the proposed use of its powers may have that effect,

it will consult the *Takeover Panel* and give due weight to its views.

DEPP 6.2.2A G The factors to which the *FCA* will have regard when deciding whether to impose a penalty under regulation 34 of the *RCB Regulations* are set out in *RCB 4.2.3 G*.

Discipline for breaches of FCA rules on systems and controls against money laundering

DEPP 6.2.3 G The *FCA's* rules on systems and controls against *money laundering* are set out in *SYSC 3.2* and *SYSC 6.3*. The *FCA*, when considering whether to take action for a financial penalty or censure in respect of a breach of those rules, will have regard to whether a *firm* has followed relevant provisions in the Guidance for the UK financial sector issued by the Joint Money Laundering Steering Group.

Action against individuals under section 66 of the Act

DEPP 6.2.4 G Disciplinary action against senior managers of *firms* and other individuals is one of the *FCA's* key tools in deterring *firms* and individuals from committing breaches.

DEPP 6.2.5 G In some cases it may not be appropriate to take disciplinary measures against a *firm* for the actions of an individual (an example might be where the *firm* can show that it took all reasonable steps to prevent the *breach*). In other cases, it may be appropriate for the *FCA* to take action against both the *firm* and the individual. For example, a *firm* may have breached the *rule* requiring it to take reasonable care to establish and maintain such systems and controls as are appropriate to its business (*SYSC 3.1.1 R* or *SYSC 4.1.10R* or *SYSC 4.1.1-AR(5)* and *SYSC 5.1.14R*, and an individual may have taken advantage of those deficiencies to front run orders or misappropriate assets.

DEPP 6.2.6 G In addition to the general factors outlined in *DEPP 6.2.1 G*, there are some additional considerations that may be relevant when deciding whether to take action against an individual under *section 66* of the *Act*. This list of those considerations is non-exhaustive. Not all considerations below may be relevant in every case, and there may be other considerations, not listed, that are relevant.

(1) The individual's position and responsibilities. The *FCA* may take into account the responsibility of those exercising *significant influence functions* or *designated senior management functions* in the *firm* for the conduct of the *firm*. The more senior the individual responsible for the misconduct, the more seriously the *FCA* is likely to view the misconduct, and therefore the more likely it is to take action against the individual.

(2) Whether the most appropriate regulatory response would be disciplinary action against the *firm*, the individual or both.

(3) Whether disciplinary action would be a proportionate response to the nature and seriousness of the misconduct by the individual.

DEPP 6.2.6A G *DEPP 6.2.6BG* to *DEPP 6.2.9G* apply to action taken by the *FCA* under *section 66* of the

Act, except for action taken by virtue of section 66A(5). *DEPP 6.2.9-AG* to *DEPP 6.2.9-FG* apply only to action taken by virtue of section 66A(5).

DEPP 6.2.6B G The *FCA* may take disciplinary action against an individual where there is evidence of personal culpability on the part of that individual. Personal culpability arises if the individual's behaviour was deliberate or below the standard which would be reasonable in all the circumstances at the time of the conduct concerned.

DEPP 6.2.7 G The *FCA* will not discipline individuals on the basis of vicarious liability (that is, holding them responsible for the acts of others), provided appropriate delegation and supervision has taken place (see *APER 4.6.13G*, *APER 4.6.14G*, *COCON 4.1.8G* and *COCON 4.2.17G* to *COCON 4.2.24G*). In particular, disciplinary action will not be taken against an *approved person* performing a *significant influence function* or a *senior conduct rules staff member* simply because a regulatory failure has occurred in an area of business for which they are responsible. The *FCA* will consider that an *approved person* performing a *significant influence function* may have breached *Statements of Principle* 5 to 7, or that a *senior conduct rules staff member* may have breached *rules* SC1 to SC4 in *COCON 2.2*, only if their conduct was below the standard which would be reasonable in all the circumstances at the time of the conduct concerned (see also *APER 3.1.8AG* and *COCON 3.1.6G*, as applicable).

DEPP 6.2.8 G An individual will not be in breach if they have exercised due and reasonable care when assessing the information available to them, have reached a reasonable conclusion and have acted on it.

DEPP 6.2.9 G Where disciplinary action is taken against an individual the onus will be on the *FCA* to show that the individual has been guilty of misconduct.

Action against an SMF manager under section 66A(5) of the Act

DEPP 6.2.9-A G The *FCA* is able to take action against an *SMF manager* under *section 66A(5)* of the *Act* where:

(1) there has been (or continues to be) a contravention of a relevant requirement by the *SMF manager's firm*;

(2) at the time of the contravention, the *SMF manager* was responsible for the management of any of the *firm's* activities in relation to which the contravention occurred; and

(3) the *SMF manager* did not take such steps as a person in their position could reasonably be expected to take to avoid the contravention by the *firm* occurring (or continuing).

In such an action, an *SMF manager* is not bound by a finding of the *RDC*, a court or a tribunal, which he or she was not privy nor party to.

DEPP 6.2.9-B G When deciding whether to take action further to *section 66A(5)* of the *Act*, the *FCA* will

follow the approach in *DEPP 6.2.1G* and *DEPP 6.2.6G*.

DEPP 6.2.9-C G

When determining, for the purposes of *section 66A(5)* of the *Act*, whether an *SMF manager* was responsible for the management of any of the *firm's* activities in relation to which a contravention of a relevant requirement by the *firm* occurred, the *FCA* will consider the full circumstances of each case. A list of considerations that may be relevant for this purpose is set out below. This list is not exhaustive.

(1) The *SMF manager's statement of responsibilities*, including whether the *SMF manager* was performing an executive or non-executive role.

(2) The *firm's management responsibilities map*.

(3) How the *firm* operated, and how responsibilities were allocated in the *firm* in practice.

(4) The *SMF manager's* actual role and responsibilities in the *firm*, to be determined by reference to, among other things, minutes of meetings, emails, regulatory interviews, telephone recordings and organisational charts.

(5) The relationship between the *SMF manager's* responsibilities and the responsibilities of other *SMF managers* in the *firm* (including any joint responsibilities or matrix management structures).

DEPP 6.2.9-D G

Under *section 66A(5)(d)* of the *Act*, such steps as a person in the position of the *SMF manager* could reasonably be expected to take to avoid the *firm's* contravention of a relevant requirement occurring (or continuing) are:

(1) such steps as a competent *SMF manager* would have taken:

(a) at that time;

(b) in that specific individual's position;

(c) with that individual's role and responsibilities; and

(d) in all the circumstances.

DEPP 6.2.9-E G

When determining under *section 66A(5)(d)* of the *Act* whether or not an *SMF manager* has taken such steps as a person in their position could reasonably be expected to take to avoid the contravention of a relevant requirement by the *firm* occurring (or continuing), additional considerations to which the *FCA* would expect to have regard include, but are not limited to:

(1) the role and responsibilities of the *SMF manager* (for example, such steps as an *SMF manager* in a non-executive role could reasonably be expected to take may differ, depending on the circumstances, from those reasonably expected of an *SMF manager* in an executive role: see, for example, the *guidance* on the role and responsibilities of *non-executive directors* for *SMCR firms* in *COCON 1 Annex 1G*);

(2) whether the *SMF manager* exercised reasonable care when considering the information available to them;

(3) whether the *SMF manager* reached a reasonable conclusion on which to act;

(4) the nature, scale and complexity of the *firm's* business;

(5) the knowledge the *SMF manager* had, or should have had, of regulatory

concerns, if any, relating to their role and responsibilities;

(6) whether the *SMF manager* (where they were aware of, or should have been aware of, actual or suspected issues that involved possible breaches by their *firm* of relevant requirements relating to their role and responsibilities) took reasonable steps to ensure that the issues were dealt with in a timely and appropriate manner;

(7) whether the *SMF manager* acted in accordance with their statutory, common law and other legal obligations, including, but not limited to, those set out in the *Companies Act 2006,* the *Handbook* (including *COCON*), and, if the *firm* had a *listing* in the *equity shares (commercial companies)* or *closed-ended investment funds* category, the *UK Corporate Governance Code*;

(8) whether the *SMF manager* took reasonable steps to ensure that any delegation of their responsibilities, where this was itself reasonable, was to an appropriate person with the necessary capacity, competence, knowledge, seniority and skill, and whether the *SMF manager* took reasonable steps to oversee the discharge of the delegated responsibility effectively;

(9) whether the *SMF manager* took reasonable steps to ensure that the reporting lines, whether in the *UK* or *overseas*, in relation to the *firm's* activities for which they were responsible, were clear to staff and operated effectively;

(10) whether the *SMF manager* took reasonable steps to satisfy themselves, on reasonable grounds, that, for the activities for which they were responsible, the *firm* had appropriate policies and procedures for reviewing the competence, knowledge, skills and performance of each individual member of staff to assess their suitability to fulfil their duties;

(11) whether the *SMF manager* took reasonable steps (including in relation to *SYSC 4.9*) to assess, on taking up each of their responsibilities, and monitor, where reasonable, the governance, operational and risk management arrangements in place for the *firm's* activities for which they were responsible (including, where appropriate, corroborating, challenging and considering the wider implications of the information available to them), and whether they took reasonable steps to deal with any actual or suspected issues identified as a result in a timely and appropriate manner;

(12) whether the *SMF manager* took reasonable steps to ensure an orderly transition when another *SMF manager* under their oversight or responsibility was replaced in the performance of that function by someone else;

(13) whether the *SMF manager* took reasonable steps to ensure an orderly transition when they were replaced in the performance of their function by someone else;

(14) whether the *SMF manager* failed to take reasonable steps to understand and inform themselves about the *firm's* activities for which they were responsible, including, but not limited to, whether they:

(a) failed to ensure adequate reporting or seek an adequate explanation of issues within a business area, whether from people within that business area, or elsewhere within or outside the *firm*, if they were not an expert in that area; or

(b) failed to maintain an appropriate level of understanding about an issue or a responsibility that they delegated to an individual or individuals; or

(c) failed to obtain independent, expert opinion where appropriate from within or outside the *firm* as appropriate; or

(d) permitted the expansion or restructuring of the business without reasonably assessing the potential risks; or

(e) inadequately monitored highly profitable *transactions*, business practices, unusual *transactions*, or individuals who contributed significantly to the profitability of a business area or who had significant influence over the operation of a business area;

(15) whether the *SMF manager* took reasonable steps to ensure that, where they were involved in a collective decision affecting the *firm's* activities for which they were responsible, and it was reasonable for the decision to be taken collectively, they informed themselves of the relevant matters before taking part in the decision, and exercised reasonable care, skill and diligence in contributing to it;

(16) whether the *SMF manager* took reasonable steps to follow the *firm's* procedures, where this was itself appropriate;

(17) how long the *SMF manager* had been in role with their responsibilities and whether there was an orderly transition and handover when they took up the role and responsibilities;

(18) whether the *SMF manager* took reasonable steps to implement (either personally or through a compliance department or other departments) adequate and appropriate systems and controls to comply with the relevant requirements and standards of the regulatory system for the activities of the *firm*.

DEPP 6.2.9-F G Where action is taken against an *SMF manager* under *section 66A(5)* of the *Act* the onus will be on the *FCA* to show that the *SMF manager* has been guilty of misconduct.

Action under section 63A of the Act against persons that perform a controlled function without approval

DEPP 6.2.9A G In addition to the general factors outlined in *DEPP 6.2.1 G*, there are some additional considerations that the *FCA* will have regard to when deciding whether to take action against a *person* that performs a *controlled function* without approval contrary to *section 63A* of the *Act*.

(1) The conduct of the *person*. The *FCA* will take into consideration whether, while performing *controlled functions* without approval, the *person* committed misconduct in respect of which, if he had been approved, the *FCA* could have taken action pursuant to *section 66* of the *Act* and, if so, the seriousness of that misconduct.

(2) The extent to which the *person* could reasonably be expected to have known that they were performing a *controlled function* without approval. The circumstances in which the *FCA* would expect to be satisfied that a *person* could reasonably be expected to have known that they were performing a *controlled function* without approval include:

(a) the *person* had previously performed a similar role at the same or another *firm* for which he had been approved;

(b) the *person's firm* or another *firm* had previously applied for approval for the *person* to perform the same or a similar *controlled function*;

(c) the *person's* seniority or experience was such that he could reasonably be expected to have known that he was performing a *controlled function* without approval; and

(d) the *person's firm* had clearly apportioned responsibilities so that the *person's* role, and the responsibilities associated with it, were clear;

(e) the *person's* approval was subject to a condition or was granted for a limited period, and they failed to act in accordance with that condition or time limitation.

(3) The length of the period during which the *person* performed a *controlled function* without approval.

(4) Whether the *person* is an individual.

(5) The appropriateness of taking action against the *person* instead of, or in addition to, taking action against an *authorised person*. In assessing this, the *FCA* will take into consideration the extent of the culpability of an *authorised person* for the *person* performing a *controlled function* without approval. For example, a relevant factor may be that an *authorised person* decided that the *person* did not need to obtain approval and it was reasonable for the *person* to rely on the *authorised person's* judgment.

(6) The *person's* position and responsibilities. The more senior the *person* that performs a *controlled function* without approval, the more seriously the *FCA* is likely to view his behaviour, and therefore the more likely it is to take action against the *person*.

Action against directors or former directors for breaches under Part VI of the Act and the Public Offers and Admissions to Trading Regulations 2024

DEPP 6.2.10 G

The primary responsibility for ensuring compliance with *Part VI* of the *Act*, the *Part 6 rules*, or a requirement imposed under such provision rests with the persons identified in section 91 (Penalties for breach of Part 6 rules) of the *Act*. Normally therefore, any disciplinary action taken by the *FCA* for contraventions of these obligations will in the first instance be against those persons.

DEPP 6.2.11 G

However, in the case of a contravention by a *person* referred to in section 91 of the *Act* ("P"), where the *FCA* considers that another person who was at the material time a *director* of P was knowingly concerned in the contravention, the *FCA* may take disciplinary action against that *person*. In circumstances where the *FCA* does not consider it appropriate to seek a disciplinary sanction against P (notwithstanding a breach of relevant requirements by such *person*), the *FCA* may nonetheless seek a disciplinary sanction against any other *person* who was at the material time a *director* of P and was knowingly concerned in the contravention.

DEPP 6.2.12A G The *FCA* may also impose a penalty on a *director* who was knowingly concerned in a contravention under the *Public Offers and Admissions to Trading Regulations* or *rules* in *PRM*. The *FCA's* approach to the exercise of these powers is the same as the use of powers described above in relation to Part VI of the *Act* and the *Part 6 rules*.

Action against directors, former directors and persons discharging managerial responsibilities for breaches under Part VI of the Act

DEPP 6.2.13 G In deciding whether to take action, the *FCA* will consider the full circumstances of each case. Factors that may be relevant for this purpose include, but are not limited to, the factors at *DEPP 6.2.1 G*.

Discipline for breaches of the Principles for Businesses

DEPP 6.2.14 G The *Principles* are set out in *PRIN 2.1.1 R*. The *Principles* are a general statement of the fundamental obligations of *firms* under the *regulatory system*. The *Principles* derive their authority from the *FCA's* rule-making powers set out in section 137A(General rule-making power) of the *Act*. A breach of a *Principle* will make a *firm* liable to disciplinary action. Where the *FCA* considers this is appropriate, it will discipline a *firm* on the basis of the *Principles* alone.

DEPP 6.2.15 G In determining whether a *Principle* has been breached, it is necessary to look to the standard of conduct required by the *Principle* in question at the time. Under each of the *Principles*, the onus will be on the *FCA* to show that a *firm* has been at fault in some way.

Discipline for breaches of the Listing Principles

DEPP 6.2.16 G The Listing Principles are set out in *UKLR 2* and are a general statement of the fundamental obligations of all *listed companies*. The Listing Principles derive their authority from the *FCA's* rule making powers set out in section 73A(1) (Part 6 Rules) of the *Act*. A breach of a Listing Principle will make a *listed company* liable to disciplinary action by the *FCA*.

DEPP 6.2.17 G In determining whether a Listing Principle has been broken, it is necessary to look to the standard of conduct required by the Listing Principle in question. Under each of the Listing Principles, the onus will be on the *FCA* to show that a *listed company* has been at fault in some way. This requirement will differ depending upon the relevant Listing Principle.

DEPP 6.2.18 G In certain cases, it may be appropriate to discipline a *listed company* on the basis of a Listing Principle alone. Examples include the following:

(1) where there is no detailed *listing rule* which prohibits the *behaviour* in question, but the *behaviour* clearly contravenes a Listing Principle; and

(2) where a *listed company* has committed a number of breaches of detailed *rules* which individually may not merit disciplinary action, but the cumulative effect of which indicates the breach of a Listing Principle.

Action involving other regulatory authorities or enforcement agencies

DEPP 6.2.19 G Some types of *breach* may potentially result not only in action by the *FCA*, but also action by other domestic or overseas regulatory authorities or enforcement agencies.

DEPP 6.2.20 G When deciding how to proceed in such cases, the *FCA* will examine the circumstances of the case, and consider, in the light of the relevant investigation, disciplinary and enforcement powers, whether it is appropriate for the *FCA* or another authority to take action to address the *breach*. The *FCA* will have regard to all the circumstances of the case including whether the other authority has adequate powers to address the *breach* in question.

DEPP 6.2.21 G In some cases, it may be appropriate for both the *FCA*and another authority to be involved, and for both to take action in a particular case arising from the same facts. For example, a breach of *RIE* rules may be so serious as to justify the *FCA* varying or cancelling the *firm's Part IV permission*, or withdrawing approval from *approved persons*, as well as action taken by the *RIE*. In such cases, the *FCA* will work with the relevant authority to ensure that cases are dealt with efficiently and fairly, under operating arrangements in place (if any) between the *FCA* and the relevant authority.

DEPP 6.2.22 G In relation to behaviour which may have happened or be happening in the context of a *takeover bid*, the *FCA* will refer to the *Takeover Panel* and give due weight to its views. Where the *Takeover Code* has procedures for complaint about any behaviour, the *FCA* expects parties to exhaust those procedures. The *FCA* will not, save in exceptional circumstances, take action under any of section 123 (FCA'spower to impose penalties), section 123A (Power to prohibit individuals from managing or dealing), section 123B (Suspending permission to carry on regulated activities etc.), section 129 (Power of court to impose penalties), section 381 (Injunctions), sections 383 or 384 (Restitution) in respect of behaviour to which the *Takeover Code* is relevant before the conclusion of the procedures available under the *Takeover Code*.

DEPP 6.2.23 G The *FCA* will not take action against a *person* over behaviour which does not amount to *market abuse*. Behaviour is less likely to amount to *market abuse* where it (a) conforms with the *Takeover Code* or rules of an *RIE* and (b) falls within the terms of *MAR 1.10.4G* to *1.10.6G* which state that behaviour so conforming is unlikely to, of itself, amount to *market abuse*. The *FCA* will seek the *Takeover Panel's* or relevant *RIE's* views on whether behaviour complies with the *Takeover Code* or *RIE* rules and will attach considerable weight to its views.

DEPP 6.2.24 G If any of the circumstances in *DEPP 6.2.26 G* apply, and the *FCA* considers that the use of its disciplinary powers under section 123 or section 129, or of its injunctive powers under section 381 or of its powers relating to restitution under section 383 or 384 is appropriate, it will not take action during an offer to which the *Takeover Code* applies except in the circumstances set out in *DEPP 6.2.27 G*.

DEPP 6.2.25 G In any case where the *FCA* considers that the use of its powers under any of sections 123,

123A, 123B, 129, 381, 383 or 384 of the *Act* may be appropriate, if that use may affect the timetable or outcome of a *takeover bid* or where it is appropriate in the context of any exercise by the *Takeover Panel* of its powers and authority, the *FCA* will consult the *Takeover Panel* before using any of those powers.

DEPP 6.2.26 G

Where the behaviour of a *person* which amounts to *market abuse* is behaviour to which the *Takeover Code* is relevant, the use of the *Takeover Panel's* powers will often be sufficient to address the relevant concerns. In cases where this is not so, the *FCA* will need to consider whether it is appropriate to use any of its own powers under the *market abuse regime*. The principal circumstances in which the *FCA* is likely to consider such exercise are:

(1) where the behaviour falls within the prohibition in article 14 of the *Market Abuse Regulation*;

(2) where the *FCA's* approach in previous similar cases (which may have happened otherwise than in the context of a *takeover bid*) suggests that a sanction should be imposed;

(3) where the behaviour extends to *securities* or a class of *securities* which may be outside the *Takeover Panel's* jurisdiction;

(4) where the behaviour threatens or has threatened the stability of the *financial system*; and

(5) where for any other reason the *Takeover Panel* asks the *FCA* to consider the use of any of its powers referred to in *DEPP 6.2.22 G*.

[**Note:** In this section, 'securities' has the same meaning given in subsection (1) of the definition of '*security*' in the Handbook *Glossary*]

DEPP 6.2.27 G

The exceptional circumstances in which the *FCA* will consider the use of powers during a *takeover bid* are listed in *DEPP 6.2.26G (1)*, *DEPP 6.2.26G (3)* and *DEPP 6.2.26G (4)*, and, depending on the circumstances, *DEPP 6.2.26G (5)*.

Section : DEPP 6.4 Financial penalty or public censure

DEPP 6.4.1 G

The *FCA* will consider all the relevant circumstances of the case when deciding whether to impose a penalty or issue a *public censure*. As such, the factors set out in *DEPP 6.4.2 G* are not exhaustive. Not all of the factors may be relevant in a particular case and there may be other factors, not listed, that are relevant.

DEPP 6.4.2 G

The criteria for determining whether it is appropriate to issue a *public censure* rather than impose a financial penalty include those factors that the *FCA* will consider in determining the amount of penalty set out in *DEPP 6.5 A* to *DEPP 6.5 D*. Some particular considerations that may be relevant when the *FCA* determines whether to issue a *public censure* rather than impose a financial penalty are:

(1) whether or not deterrence may be effectively achieved by issuing a *public censure*;

(2) if the *person* has made a profit or avoided a loss as a result of the *breach*, this may be a factor in favour of a financial penalty, on the basis that a *person* should not be permitted to benefit from its *breach*;

(3) if the *breach* is more serious in nature or degree, this may be a factor in favour of a financial penalty, on the basis that the sanction should reflect the seriousness of the *breach*; other things being equal, the more serious the *breach*, the more likely the *FCA* is to impose a financial penalty;

(4) if the *person* has brought the *breach* to the attention of the *FCA*, this may be a factor in favour of a *public censure*, depending upon the nature and seriousness of the *breach*;

(5) if the *person* has admitted the *breach* and provides full and immediate co-operation to the *FCA*, and takes steps to ensure that those who have suffered loss due to the *breach* are fully compensated for those losses, this may be a factor in favour of a *public censure*, rather than a financial penalty, depending upon the nature and seriousness of the *breach*;

(6) if the *person* has a poor disciplinary record or compliance history (for example, where the *FSA* or *FCA* has previously brought disciplinary action resulting in adverse findings in relation to the same or similar *behaviour*), this may be a factor in favour of a financial penalty, on the basis that it may be particularly important to deter future cases;

(7) the *FSA's* or *FCA's* approach in similar previous cases: the *FCA* will seek to achieve a consistent approach to its decisions on whether to impose a financial penalty or issue a *public censure*; and

(8) the impact on the *person* concerned. It would only be in an exceptional case that the *FCA* would be prepared to agree to issue a *public censure* rather than impose a financial penalty if a financial penalty would otherwise be the appropriate sanction. Examples of such exceptional cases could include:

(a) where the application of the *FCA's* policy on serious financial hardship (set

out in *DEPP 6.5D*) results in a financial penalty being reduced to zero;

(b) where there is verifiable evidence that the *person* would be unable to meet other regulatory requirements, particularly financial resource requirements, if the *FCA* imposed a financial penalty at an appropriate level; or

(c) in Part VI cases in which the *FCA* may impose a financial penalty, where there is the likelihood of a severe adverse impact on a *person's* shareholders or a consequential impact on market confidence or market stability if a financial penalty was imposed. However, this does not exclude the imposition of a financial penalty even though this may have an impact on a *person's* shareholders.

Section : DEPP 6.5 Determining the appropriate level of financial penalty

DEPP 6.5.1 G

For the purpose of *DEPP 6.5* to *DEPP 6.5D* and *DEPP 6.6.2 G*, the term "firm" means *firms*, *sponsors*, *primary information providers*, *recognised investment exchanges*, qualifying parent undertakings, *actuaries*, auditors and those *unauthorised persons* who are not individuals.

DEPP 6.5.2 G

The *FCA's* penalty-setting regime is based on the following principles:

(1) Disgorgement - a firm or individual should not benefit from any *breach*;

(2) Discipline - a firm or individual should be penalised for wrongdoing; and

(3) Deterrence - any penalty imposed should deter the firm or individual who committed the *breach*, and others, from committing further or similar *breaches*.

DEPP 6.5.3 G

(1) The total amount payable by a person subject to enforcement action may be made up of two elements: (i) disgorgement of the benefit received as a result of the *breach*; and (ii) a financial penalty reflecting the seriousness of the *breach*. These elements are incorporated in a five-step framework, which can be summarised as follows:

(a) Step 1: the removal of any financial benefit derived directly from the *breach*;

(b) Step 2: the determination of a figure which reflects the seriousness of the *breach*;

(c) Step 3: an adjustment made to the Step 2 figure to take account of any aggravating and mitigating circumstances;

(d) Step 4: an upwards adjustment made to the amount arrived at after Steps 2 and 3, where appropriate, to ensure that the penalty has an appropriate deterrent effect; and

(e) Step 5: if applicable, a settlement discount will be applied. This discount does not apply to disgorgement of any financial benefit derived directly from the *breach*.

(2) These steps will apply in all cases, although the details of Steps 1 to 4 will differ for cases against firms (*DEPP 6.5A*), cases against individuals (*DEPP 6.5B*) and *market abuse* cases against individuals (*DEPP 6.5C*).

(3) The *FCA* recognises that a penalty must be proportionate to the *breach*. The *FCA* may decrease the level of the penalty arrived at after applying Step 2 of the framework if it considers that the penalty is disproportionately high for the *breach* concerned. For cases against firms, the *FCA* will have regard to whether the *firm* is also an individual (for example, a sole trader) in determining whether the figure arrived at after applying Step 2 is disproportionate.

(4) The lists of factors and circumstances in *DEPP 6.5A* to *DEPP 6.5D* are not exhaustive. Not all of the factors or circumstances listed will necessarily be relevant

in a particular case and there may be other factors or circumstances not listed which are relevant.

(5) The *FCA* may decide to impose a financial penalty on a mutual (such as a *building society*), even though this may have a direct impact on that mutual's *customers*. This reflects the fact that a significant proportion of a mutual's *customers* are shareholder-members; to that extent, their position involves an assumption of risk that is not assumed by *customers* of a firm that is not a mutual. Whether a firm is a mutual will not, by itself, increase or decrease the level of a financial penalty.

(6) Part III (Penalties and Fees) of Schedule 1ZA to the *Act* specifically provides that the *FCA*may not, in determining its policy with respect to the amount of penalties, take account of expenses which it incurs, or expects to incur, in discharging its functions.

Apportionment of financial penalties

DEPP 6.5.4 G In a case where the *FCA* is proposing to impose a financial penalty on a *person* for 2 or more separate and distinct areas of misconduct, the *FCA* will consider whether it is appropriate to identify in the *decision notice* and *final notice* how the penalty is apportioned between those separate and distinct areas. Apportionment will not, however, generally be appropriate in other cases.

Section : DEPP 6.5A The five steps for penalties imposed on firms

Step 1 - disgorgement

DEPP 6.5A.1 G

(1) The *FCA*will seek to deprive a firm of the financial benefit derived directly from the *breach* (which may include the profit made or loss avoided) where it is practicable to quantify this. The *FCA* will ordinarily also charge interest on the benefit.

(2) Where the success of a firm's entire business model is dependent on breaching*FCA rules* or other requirements of the *regulatory system* and the *breach* is at the core of the firm's *regulated activities*, the *FCA* will seek to deprive the firm of all the financial benefit derived from such activities. Where a firm agrees to carry out a redress programme to compensate those who have suffered loss as a result of the *breach*, or where the *FCA* decides to impose a redress programme, the *FCA* will take this into consideration. In such cases the final penalty might not include a disgorgement element, or the disgorgement element might be reduced.

[**Note:** For the purposes of *DEPP 6.5A*, "firm" has the special meaning given to it in *DEPP 6.5.1 G*]

Step 2 - the seriousness of the breach

DEPP 6.5A.2 G

(1) The *FCA* will determine a figure that reflects the seriousness of the *breach*. In many cases, the amount of revenue generated by a firm from a particular product line or business area is indicative of the harm or potential harm that its *breach* may cause, and in such cases the *FCA* will determine a figure which will be based on a percentage of the firm's revenue from the relevant products or business areas. The *FCA* also believes that the amount of revenue generated by a firm from a particular product or business area is relevant in terms of the size of the financial penalty necessary to act as a credible deterrent. However, the *FCA* recognises that there may be cases where revenue is not an appropriate indicator of the harm or potential harm that a firm's *breach* may cause, and in those cases the *FCA* will use an appropriate alternative.

(2) In those cases where the *FCA* considers that revenue is an appropriate indicator of the harm or potential harm that a firm's *breach* may cause, the *FCA* will determine a figure which will be based on a percentage of the firm's "relevant revenue". "Relevant revenue" will be the revenue derived by the firm during the period of the *breach* from the products or business areas to which the *breach* relates. Where the *breach* lasted less than 12 *months*, or was a one-off event, the relevant revenue will be that derived by the firm in the 12 months preceding the end of the *breach*. Where the firm was in existence for less than 12 *months*, its relevant revenue will be calculated on a pro rata basis to the equivalent of 12 *months'* relevant revenue.

(3) Having determined the relevant revenue, the *FCA* will then decide on the percentage of that revenue which will form the basis of the penalty. In making this determination the *FCA* will consider the seriousness of the *breach* and choose a percentage between 0% and 20%. This range is divided into five fixed levels which

represent, on a sliding scale, the seriousness of the *breach*. The more serious the *breach*, the higher the level. For penalties imposed on firms there are the following five levels:

(a) level 1 - 0%;

(b) level 2 - 5%;

(c) level 3 - 10%;

(d) level 4 - 15%; and

(e) level 5 - 20%.

(4) The*FCA* will assess the seriousness of a *breach* to determine which level is most appropriate to the case.

(5) In deciding which level is most appropriate to a case involving a firm, the *FCA* will take into account various factors, which will usually fall into the following four categories:

(a) factors relating to the impact of the *breach*;

(b) factors relating to the nature of the *breach*;

(c) factors tending to show whether the *breach* was deliberate; and

(d) factors tending to show whether the *breach* was reckless.

(6) Factors relating to the impact of a *breach* committed by a firm include:

(a) the level of benefit gained or loss avoided, or intended to be gained or avoided, by the firm from the *breach*, either directly or indirectly;

(b) the loss or risk of loss, as a whole, caused to *consumers*, investors or other market users in general;

(c) the loss or risk of loss caused to individual *consumers*, investors or other market users;

(d) whether the *breach* had an effect on particularly vulnerable people, whether intentionally or otherwise;

(e) the inconvenience or distress caused to *consumers*; and

(f) whether the *breach* had an adverse effect on markets and, if so, how serious that effect was. This may include having regard to whether the orderliness of, or confidence in, the markets in question has been damaged or put at risk.

(7) Factors relating to the nature of a *breach* by a firm include:

(a) the nature of the *rules*, requirements or provisions breached;

(b) the frequency of the *breach*;

(c) whether the *breach* revealed serious or systemic weaknesses in the firm's procedures or in the management systems or internal controls relating to all or part of the firm's business;

(d) whether the firm's senior management were aware of the *breach*;

(e) the nature and extent of any *financial crime* facilitated, occasioned or otherwise attributable to the *breach*;

(f) the scope for any potential *financial crime* to be facilitated, occasioned or

otherwise occur as a result of the *breach*;

(g) whether the firm failed to conduct its business with integrity;

(h) whether the firm, in committing the *breach*, took any steps to comply with *FSA rules*, and the adequacy of those steps; and

(i) in the context of contraventions of *Part VI* of the *Act*, the extent to which the *behaviour* which constitutes the contravention departs from current market practice.

(8) Factors tending to show the *breach* was deliberate include:

(a) the *breach* was intentional, in that the firm's senior management, or a responsible individual, intended or foresaw that the likely or actual consequences of their actions or inaction would result in a *breach*;

(b) the firm's senior management, or a responsible individual, knew that their actions were not in accordance with the firm's internal procedures;

(c) the firm's senior management, or a responsible individual, sought to conceal their misconduct;

(d) the firm's senior management, or a responsible individual, committed the *breach* in such a way as to avoid or reduce the risk that the *breach* would be discovered;

(e) the firm's senior management, or a responsible individual, were influenced to commit the *breach* by the belief that it would be difficult to detect;

(f) the *breach* was repeated; and

(g) in the context of a contravention of any *rule* or requirement imposed by or under *Part VI* of the *Act*, the firm obtained reasonable professional advice before the contravention occurred and failed to follow that advice. Obtaining professional advice does not remove a *person's* responsibility for compliance with applicable *rules* and requirements.

(9) Factors tending to show the *breach* was reckless include:

(a) the firm's senior management, or a responsible individual, appreciated there was a risk that their actions or inaction could result in a *breach* and failed adequately to mitigate that risk; and

(b) the firm's senior management, or a responsible individual, were aware there was a risk that their actions or inaction could result in a *breach* but failed to check if they were acting in accordance with the firm's internal procedures.

(10) Additional factors to which the *FCA* will have regard when determining the appropriate level of financial penalty to be imposed under regulation 34 of the *RCB Regulations* are set out in *RCB 4.2.5 G*.

(11) In following this approach factors which are likely to be considered 'level 4 factors' or 'level 5 factors' include:

(a) the *breach* caused a significant loss or risk of loss to individual *consumers*, investors or other market users;

(b) the *breach* revealed serious or systemic weaknesses in the firm's procedures or in the management systems or internal controls relating to all or

part of the firm's business;

(c) *financial crime* was facilitated, occasioned or otherwise attributable to the *breach*;

(d) the *breach* created a significant risk that *financial crime* would be facilitated, occasioned or otherwise occur;

(e) the firm failed to conduct its business with integrity; and

(f) the *breach* was committed deliberately or recklessly.

(12) Factors which are likely to be considered 'level 1 factors', 'level 2 factors' or 'level 3 factors' include:

(a) little, or no, profits were made or losses avoided as a result of the *breach*, either directly or indirectly;

(b) there was no or little loss or risk of loss to *consumers*, investors or other market users individually and in general;

(c) there was no, or limited, actual or potential effect on the orderliness of, or confidence in, markets as a result of the *breach*;

(d) there is no evidence that the *breach* indicates a widespread problem or weakness at the firm; and

(e) the *breach* was committed negligently or inadvertently.

(13) In those cases where revenue is not an appropriate indicator of the harm or potential harm that a firm's *breach* may cause, the *FCA* will adopt a similar approach, and so will determine the appropriate Step 2 amount for a particular *breach* by taking into account relevant factors, including those listed above. In these cases the *FCA* may not use the percentage levels that are applied in those cases in which revenue is an appropriate indicator of the harm or potential harm that a firm's *breach* may cause.

Step 3 - mitigating and aggravating factors

DEPP 6.5A.3 G

(1) The *FCA* may increase or decrease the amount of the financial penalty arrived at after Step 2, but not including any amount to be disgorged as set out in Step 1, to take into account factors which aggravate or mitigate the *breach*. Any such adjustments will be made by way of a percentage adjustment to the figure determined at Step 2.

(2) The following list of factors may have the effect of aggravating or mitigating the *breach*:

(a) the conduct of the firm in bringing (or failing to bring) quickly, effectively and completely the *breach* to the *FCA's* attention (or the attention of other regulatory authorities, where relevant);

(b) the degree of cooperation the firm showed during the investigation of the *breach* by the *FCA*, or any other regulatory authority allowed to share information with the *FCA*;

(c) where the firm's senior management were aware of the *breach* or of the potential for a *breach*, whether they took any steps to stop the *breach*, and

when these steps were taken;

(d) any remedial steps taken since the *breach* was identified, including whether these were taken on the firm's own initiative or that of the *FCA* or another regulatory authority; for example, identifying whether *consumers* or investors or other market users suffered loss and compensating them where they have; correcting any misleading statement or impression; taking disciplinary action against staff involved (if appropriate); and taking steps to ensure that similar problems cannot arise in the future. The size and resources of the firm may be relevant to assessing the reasonableness of the steps taken;

(e) whether the firm has arranged its resources in such a way as to allow or avoid disgorgement and/or payment of a financial penalty;

(f) whether the firm had previously been told about the *FCA's* concerns in relation to the issue, either by means of a private warning or in supervisory correspondence;

(g) whether the firm had previously undertaken not to perform a particular act or engage in particular behaviour;

(h) whether the firm concerned has complied with any requirements or rulings of another regulatory authority relating to the *breach*;

(i) the previous disciplinary record and general compliance history of the firm;

(j) action taken against the firm by other domestic or international regulatory authorities that is relevant to the *breach* in question;

(k) whether *FCA guidance* or other published materials had already raised relevant concerns, and the nature and accessibility of such materials; and

(l) whether the *FCA* publicly called for an improvement in standards in relation to the behaviour constituting the *breach* or similar behaviour before or during the occurrence of the *breach*.

Step 4 - adjustment for deterrence

DEPP 6.5A.4 G

(1) If the *FCA* considers the figure arrived at after Step 3 is insufficient to deter the firm who committed the *breach*, or others, from committing further or similar breaches then the *FCA* may increase the penalty. Circumstances where the *FCA* may do this include:

(a) where the *FCA* considers the absolute value of the penalty too small in relation to the *breach* to meet its objective of credible deterrence;

(b) where previous *FCA* action in respect of similar *breaches* has failed to improve industry standards. This may include similar *breaches* relating to different products (for example, action for mis-selling or claims handling failures in respect of 'x' product may be relevant to a case for mis-selling or claims handling failures in respect of 'y' product);

(c) where the *FCA* considers it is likely that similar *breaches* will be committed by the firm or by other firms in the future in the absence of such an increase to

the penalty; and

(d) where the *FCA* considers that the likelihood of the detection of such a *breach* is low.

Step 5 - settlement discount

DEPP 6.5A.5 G

The *FCA* and the firm on whom a penalty is to be imposed may seek to agree the amount of any financial penalty and other terms. In recognition of the benefits of such agreements, *DEPP 6.7* provides that the amount of the financial penalty which might otherwise have been payable will be reduced to reflect the stage at which the *FCA* and the firm concerned reached an agreement. The settlement discount does not apply to the disgorgement of any benefit calculated at Step 1.

Section : DEPP 6.5B The five steps for penalties imposed on individuals in non-market abuse cases

Step 1 - disgorgement

DEPP 6.5B.1 G

The *FCA* will seek to deprive an individual of the financial benefit derived directly from the *breach* (which may include the profit made or loss avoided) where it is practicable to quantify this. The *FCA* will ordinarily also charge interest on the benefit. Where the success of a firm's entire business model is dependent on breaching *FCA rules* or other requirements of the *regulatory system* and the individual's *breach* is at the core of the firm's *regulated activities*, the *FCA* will seek to deprive the individual of all the financial benefit he has derived from such activities.

[**Note:** For the purposes of *DEPP 6.5B*, "firm" has the special meaning given to it in *DEPP 6.5.1 G*.]

Step 2 - the seriousness of the breach

DEPP 6.5B.2 G

(1) The *FCA* will determine a figure which will be based on a percentage of an individual's "relevant income". "Relevant income" will be the gross amount of all benefits received by the individual from the employment in connection with which the *breach* occurred (the "relevant employment"), and for the period of the *breach*. In determining an individual's relevant income, "benefits" includes, but is not limited to, salary, bonus, pension contributions, *share* options and *share* schemes; and "employment" includes, but is not limited to, employment as an adviser, *director*, partner or contractor.

(2) Where the *breach* lasted less than 12 *months*, or was a one-off event, the relevant income will be that earned by the individual in the 12 *months* preceding the end of the *breach*. Where the individual was in the relevant employment for less than 12 months, his relevant income will be calculated on a pro rata basis to the equivalent of 12 *months'* relevant income.

(3) This approach reflects the *FCA's* view that an individual receives remuneration commensurate with his responsibilities, and so it is reasonable to base the amount of penalty for failure to discharge his duties properly on his remuneration. The *FCA* also believes that the extent of the financial benefit earned by an individual is relevant in terms of the size of the financial penalty necessary to act as a credible deterrent. The *FCA*recognises that in some cases an individual may be approved for only a small part of the work he carries out on a day-to-day basis. However, in these circumstances the *FCA* still considers it appropriate to base the relevant income figure on all of the benefit that an individual gains from the relevant employment, even if their employment is not totally related to a *controlled function*.

(4) Having determined the relevant income the *FCA* will then decide on the percentage of that income which will form the basis of the penalty. In making this determination the *FCA*will consider the seriousness of the *breach* and choose a percentage between 0% and 40%.

(5) This range is divided into five fixed levels which reflect, on a sliding scale, the seriousness of the *breach*. The more serious the *breach*, the higher the level. For penalties imposed on individuals there are the following five levels:

(a) level 1 - 0%;

(b) level 2 - 10%;

(c) level 3 - 20%;

(d) level 4 - 30%; and

(e) level 5 - 40%.

(6) The *FCA* will assess the seriousness of a *breach* to determine which level is most appropriate to the case.

(7) In deciding which level is most appropriate to a case against an individual, the *FCA* will take into account various factors which will usually fall into the following four categories:

(a) factors relating to the impact of the *breach*;

(b) factors relating to the nature of the *breach*;

(c) factors tending to show whether the *breach* was deliberate; and

(d) factors tending to show whether the *breach* was reckless.

(8) Factors relating to the impact of a *breach* committed by an individual include:

(a) the level of benefit gained or loss avoided, or intended to be gained or avoided, by the individual from the *breach*, either directly or indirectly;

(b) the loss or risk of loss, as a whole, caused to *consumers*, investors or other market users in general;

(c) the loss or risk of loss caused to individual *consumers*, investors or other market users;

(d) whether the *breach* had an effect on particularly vulnerable people, whether intentionally or otherwise;

(e) the inconvenience or distress caused to *consumers*; and

(f) whether the *breach* had an adverse effect on markets and, if so, how serious that effect was. This may include having regard to whether the orderliness of, or confidence in, the markets in question has been damaged or put at risk.

(9) Factors relating to the nature of a *breach* by an individual include:

(a) the nature of the *rules*, requirements or provisions breached;

(b) the frequency of the *breach*;

(c) the nature and extent of any *financial crime* facilitated, occasioned or otherwise attributable to the *breach*;

(d) the scope for any potential *financial crime* to be facilitated, occasioned or otherwise occur as a result of the *breach*;

(e) whether the individual failed to act with integrity;

(f) whether the individual abused a position of trust;

(g) whether the individual committed a breach of any professional code of conduct;

(h) whether the individual caused or encouraged other individuals to commit *breaches*;

(i) whether the individual held a prominent position within the industry;

(j) whether the individual is an experienced industry professional;

(k) whether the individual held a senior position with the firm;

(l) the extent of the responsibility of the individual for the product or business areas affected by the *breach*, and for the particular matter that was the subject of the *breach*;

(m) whether the individual acted under duress;

(n) whether the individual took any steps to comply with *FCA rules*, and the adequacy of those steps;

(o) in the context of contraventions of *Part VI* of the *Act*, the extent to which the *behaviour* which constitutes the contravention departs from current market practice;

(p) in relation to a contravention of *section 63A* of the *Act*, whether the individual's only misconduct was to perform a *controlled function* without approval;

(q) in relation to a contravention of *section 63A* of the *Act*, whether the individual performed *controlled functions* without approval and, while doing so, committed misconduct in respect of which, if the individual had been an *approved person*, the *FCA* would have been empowered to take action pursuant to *section 66* of the *Act*; and

(r) in relation to a contravention of *section 63A* of the *Act*, the extent to which the individual could reasonably be expected to have known that they were performing a *controlled function* without approval. The circumstances in which the *FCA* would expect to be satisfied that a *person* could reasonably be expected to have known that they were performing a *controlled function* without approval include:

(i) the *person* had previously performed a similar role at the same or another *firm* for which he had been approved;

(ii) the *person's firm* or another *firm* had previously applied for approval for the *person* to perform the same or a similar *controlled function*;

(iii) the *person's* seniority or experience was such that he could reasonably be expected to have known that he was performing a *controlled function* without approval; and

(iv) the *person's* firm had clearly apportioned responsibilities so the *person's* role, and the responsibilities associated with it, were clear.

(v) the *person's* approval was subject to a condition or was granted for a limited period, and they failed to act in accordance with that condition or time limitation.

(10) Factors tending to show the *breach* was deliberate include:

(a) the *breach* was intentional, in that the individual intended or foresaw that the likely or actual consequences of his actions or inaction would result in a *breach*;

(b) the individual intended to benefit financially from the *breach*, either directly or indirectly;

(c) the individual knew that his actions were not in accordance with his firm's internal procedures;

(d) the individual sought to conceal his misconduct;

(e) the individual committed the *breach* in such a way as to avoid or reduce the risk that the *breach* would be discovered;

(f) the individual was influenced to commit the *breach* by the belief that it would be difficult to detect;

(g) the individual knowingly took decisions relating to the *breach* beyond his field of competence; and

(h) the individual's actions were repeated.

(11) Factors tending to show the *breach* was reckless include:

(a) the individual appreciated there was a risk that his actions or inaction could result in a *breach* and failed adequately to mitigate that risk; and

(b) the individual was aware there was a risk that his actions or inaction could result in a *breach* but failed to check if he was acting in accordance with internal procedures.

(12) In following this approach factors which are likely to be considered 'level 4 factors' or 'level 5 factors' include:

(a) the *breach* caused a significant loss or risk of loss to individual *consumers*, investors or other market users;

(b) *financial crime* was facilitated, occasioned or otherwise attributable to the *breach*;

(c) the *breach* created a significant risk that *financial crime* would be facilitated, occasioned or otherwise occur;

(d) the individual failed to act with integrity;

(e) the individual abused a position of trust;

(f) the individual held a prominent position within the industry; and

(g) the *breach* was committed deliberately or recklessly.

(13) Factors which are likely to be considered 'level 1 factors', 'level 2 factors' or 'level 3 factors' include:

(a) little, or no, profits were made or losses avoided as a result of the *breach*, either directly or indirectly;

(b) there was no or little loss or risk of loss to *consumers*, investors or other market users individually and in general;

(c) there was no, or limited, actual or potential effect on the orderliness of, or

confidence in, markets as a result of the *breach*;

(d) the *breach* was committed negligently or inadvertently; and

(e) in relation to a contravention of *section 63A* of the *Act*, the individual's only misconduct was to perform a *controlled function* without approval.

Step 3 - mitigating and aggravating factors

DEPP 6.5B.3 G

(1) The *FCA* may increase or decrease the amount of the financial penalty arrived at after Step 2, but not including any amount to be disgorged as set out in Step 1, to take into account factors which aggravate or mitigate the *breach*. Any such adjustments will be made by way of a percentage adjustment to the figure determined at Step 2.

(2) The following list of factors may have the effect of aggravating or mitigating the *breach*:

(a) the conduct of the individual in bringing (or failing to bring) quickly, effectively and completely the *breach* to the *FCA's* attention (or the attention of other regulatory authorities, where relevant);

(b) the degree of cooperation the individual showed during the investigation of the *breach* by the *FCA*, or any other regulatory authority allowed to share information with the *FCA*;

(c) whether the individual took any steps to stop the *breach*, and when these steps were taken;

(d) any remedial steps taken since the *breach* was identified, including whether these were taken on the individual's own initiative or that of the *FCA* or another regulatory authority;

(e) whether the individual has arranged his resources in such a way as to allow or avoid disgorgement and/or payment of a financial penalty;

(f) whether the individual had previously been told about the *FCA's*concerns in relation to the issue, either by means of a private warning or in supervisory correspondence;

(g) whether the individual had previously undertaken not to perform a particular act or engage in particular behaviour;

(h) whether the individual has complied with any requirements or rulings of another regulatory authority relating to the *breach*;

(i) the previous disciplinary record and general compliance history of the individual;

(j) action taken against the individual by other domestic or international regulatory authorities that is relevant to the *breach* in question;

(k) whether *FCA guidance* or other published materials had already raised relevant concerns, and the nature and accessibility of such materials;

(l) whether the *FCA* publicly called for an improvement in standards in relation to the behaviour constituting the *breach* or similar behaviour before or during

the occurrence of the *breach*;

(m) whether the individual agreed to undertake training subsequent to the *breach*; and

(n) in relation to a contravention of *section 63A* of the *Act*, whether the *person's* firm or another firm has previously withdrawn an application for the *person* to perform the same or a similar *controlled function* or has had such an application rejected by the *FCA*.

Step 4 - adjustment for deterrence

DEPP 6.5B.4 G

(1) If the *FCA* considers the figure arrived at after Step 3 is insufficient to deter the individual who committed the *breach*, or others, from committing further or similar *breaches* then the *FCA* may increase the penalty. Circumstances where the *FCA* may do this include:

(a) where the *FCA* considers the absolute value of the penalty too small in relation to the *breach* to meet its objective of credible deterrence;

(b) where previous *FCA* action in respect of similar *breaches* has failed to improve industry standards. This may include similar *breaches* relating to different products (for example, action for mis-selling or claims handling failures in respect of 'x' product may be relevant to a case for mis-selling or claims handling failures in respect of 'y' product);

(c) where the *FCA* considers it is likely that similar *breaches* will be committed by the individual or by other individuals in the future;

(d) where the *FCA* considers that the likelihood of the detection of such a *breach* is low; and

(e) where a penalty based on an individual's income may not act as a deterrent, for example, if an individual has a small or zero income but owns assets of high value.

Step 5 - settlement discount

DEPP 6.5B.5 G

The *FCA* and the individual on whom a penalty is to be imposed may seek to agree the amount of any financial penalty and other terms. In recognition of the benefits of such agreements, *DEPP 6.7* provides that the amount of the financial penalty which might otherwise have been payable will be reduced to reflect the stage at which the *FCA* and the individual concerned reached an agreement. The settlement discount does not apply to the disgorgement of any benefit calculated at Step 1.

Section : DEPP 6.5C The five steps for penalties imposed on individuals in market abuse cases

Step 1 - disgorgement

DEPP 6.5C.1 G

The *FCA* will seek to deprive an individual of the financial benefit derived as a direct result of the *market abuse* (which may include the profit made or loss avoided) where it is practicable to quantify this. The *FCA* will ordinarily also charge interest on the benefit.

Step 2 - the seriousness of the market abuse

DEPP 6.5C.2 G

(1) The *FCA* will determine a figure dependent on the seriousness of the *market abuse* and whether or not it was referable to the individual's employment. This reflects the *FCA's* view that where an individual has been put into a position where he can commit *market abuse* because of his employment the fine imposed should reflect this by reference to the gross amount of all benefits derived from that employment.

(2) In cases where the *market abuse* was referable to the individual's employment, the figure for the purpose of Step 2 will be the greater of:

(a) a figure based on a percentage of the individual's "relevant income". The percentage of relevant income which will apply is explained in paragraphs (6) and (8) to (16) below;

(b) a multiple of the profit made or loss avoided by the individual for his own benefit, or for the benefit of other individuals where the individual has been instrumental in achieving that benefit, as a direct result of the *market abuse* (the "profit multiple"). The profit multiple which will apply is explained in paragraphs (6) and (8) to (16) below; and

(c) for *market abuse* cases which the *FCA* assesses to be seriousness level 4 or 5, £100,000. How the *FCA* will assess the seriousness level of the *market abuse* is explained in paragraphs (9) to (16) below. The *FCA* usually expects to assess *market abuse* committed deliberately as seriousness level 4 or 5.

(3) In cases where the *market abuse* was not referable to the individual's employment, the figure for the purpose of Step 2 will be the greater of:

(a) a multiple of the profit made or loss avoided by the individual for his own benefit, or for the benefit of other individuals where the individual has been instrumental in achieving that benefit, as a direct result of the *market abuse* (the "profit multiple"). The profit multiple which will apply is explained in paragraphs (7) to (16) below; and

(b) for *market abuse* cases which the *FCA* assesses to be seriousness level 4 or 5, £100,000. How the *FCA* will assess the seriousness level of the *market abuse* is explained in paragraphs (9) to (16) below. The *FCA* usually expects to assess *market abuse* committed deliberately as seriousness level 4 or 5.

(4) An individual's "relevant income" will be the gross amount of all benefits received by the individual from the employment in connection with which the *market abuse*

occurred (the "relevant employment") for the period of the *market abuse*. In determining an individual's relevant income, "benefits" includes, but is not limited to, salary, bonus, pension contributions, *share* options and *share* schemes; and "employment" includes, but is not limited to, employment as an adviser, *director*, partner or contractor.

(5) Where the *market abuse* lasted less than 12 *months*, or was a one-off event, the relevant income will be that earned by the individual in the 12 *months* preceding the final *market abuse*. Where the individual was in the relevant employment for less than 12 *months*, his relevant income will be calculated on a pro rata basis to the equivalent of 12 *months'* relevant income.

(6) In cases where the *market abuse* was referable to the individual's employment:

(a) the *FCA* will determine the percentage of relevant income which will apply by considering the seriousness of the *market abuse* and choosing a percentage between 0% and 40%; and

(b) the *FCA* will determine the profit multiple which will apply by considering the seriousness of the *market abuse* and choosing a multiple between 0 and 4.

(7) In cases where the *market abuse* was not referable to the individual's employment the *FCA* will determine the profit multiple which will apply by considering the seriousness of the *market abuse* and choosing a multiple between 0 and 4.

(8) The percentage range (where the *market abuse* was referable to the individual's employment) and profit multiple range (in all cases) are divided into five fixed levels which reflect, on a sliding scale, the seriousness of the *market abuse*. The more serious the *market abuse*, the higher the level. For penalties imposed on individuals for *market abuse* there are the following five levels (the percentage figures only apply where the *market abuse* was referable to the individual's employment):

(a) level 1 - 0%, profit multiple of 0;

(b) level 2 - 10%, profit multiple of 1;

(c) level 3 - 20%, profit multiple of 2;

(d) level 4 - 30%, profit multiple of 3; and

(e) level 5 - 40%, profit multiple of 4.

(9) The *FCA* will assess the seriousness of the *market abuse* to determine which level is most appropriate to the case.

(10) In deciding which level is most appropriate to a *market abuse* case, the *FCA* will take into account various factors which will usually fall into the following four categories:

(a) factors relating to the impact of the *market abuse*;

(b) factors relating to the nature of the *market abuse*;

(c) factors tending to show whether the *market abuse* was deliberate; and

(d) factors tending to show whether the *market abuse* was reckless.

(11) Factors relating to the impact of the *market abuse* include:

(a) the level of benefit gained or loss avoided, or intended to be gained or

avoided, by the individual from the *market abuse*, either directly or indirectly;

(b) whether the *market abuse* had an adverse effect on markets and, if so, how serious that effect was. This may include having regard to whether the orderliness of, or confidence in, the markets in question has been damaged or put at risk; and

(c) whether the *market abuse* had a significant impact on the price of *shares* or other *investments*.

(12) Factors relating to the nature of the *market abuse* include:

(a) the frequency of the *market abuse*;

(b) whether the individual abused a position of trust;

(c) whether the individual caused or encouraged other individuals to commit *market abuse*;

(d) whether the individual has a prominent position in the market;

(e) whether the individual is an experienced industry professional;

(f) whether the individual held a senior position with the firm; and

(g) whether the individual acted under duress.

(13) Factors tending to show the *market abuse* was deliberate include:

(a) the *market abuse* was intentional, in that the individual intended or foresaw that the likely or actual consequences of his actions would result in *market abuse*;

(b) the individual intended to benefit financially from the *market abuse*, either directly or indirectly;

(c) the individual knew that his actions were not in accordance with exchange rules, *share* dealing rules and/or the firm's internal procedures;

(d) the individual sought to conceal his misconduct;

(e) the individual committed the *market abuse* in such a way as to avoid or reduce the risk that the *market abuse* would be discovered;

(f) the individual was influenced to commit the *market abuse* by the belief that it would be difficult to detect;

(g) the individual's actions were repeated; and

(h) for *market abuse* falling within the prohibition in article 14(a) of the *Market Abuse Regulation*, the individual knew or recognised that the information on which the *dealing* was based was *inside information*.

(14) Factors tending to show the *market abuse* was reckless include:

(a) the individual appreciated there was a risk that his actions could result in *market abuse* and failed adequately to mitigate that risk; and

(b) the individual was aware there was a risk that his actions could result in *market abuse* but failed to check if he was acting in accordance with internal procedures.

(15) In following this approach factors which are likely to be considered 'level 4 factors' or 'level 5 factors' include:

(a) the level of benefit gained or loss avoided, or intended to be gained or avoided, directly by the individual from the *market abuse* was significant;

(b) the *market abuse* had a serious adverse effect on the orderliness of, or confidence in, markets;

(c) the *market abuse* was committed on multiple occasions;

(d) the individual breached a position of trust;

(e) the individual has a prominent position in the market; and

(f) the *market abuse* was committed deliberately or recklessly.

(16) In following this approach factors which are likely to be considered 'level 1 factors', 'level 2 factors' or 'level 3 factors' include:

(a) little, or no, profits were made or losses avoided as a result of the *market abuse*, either directly or indirectly;

(b) there was no, or limited, actual or potential effect on the orderliness of, or confidence in, markets as a result of the *market abuse*; and

(c) the *market abuse* was committed negligently or inadvertently.

[**Note:** For the purposes of *DEPP 6.5C*, "firm" has the special meaning given to it in *DEPP 6.5.1 G*.]

Step 3 - mitigating and aggravating factors

DEPP 6.5C.3 G

(1) The *FCA* may increase or decrease the amount of the financial penalty arrived at after Step 2, but not including any amount to be disgorged as set out in Step 1, to take into account factors which aggravate or mitigate the *market abuse*. Any such adjustments will be made by way of a percentage adjustment to the figure determined at Step 2.

(2) The following list of factors may have the effect of aggravating or mitigating the *market abuse*:

(a) the conduct of the individual in bringing (or failing to bring) quickly, effectively and completely the *market abuse* to the *FCA's* attention (or the attention of other regulatory authorities, where relevant);

(b) the degree of cooperation the individual showed during the investigation of the *market abuse* by the *FCA*, or any other regulatory authority allowed to share information with the *FCA*;

(c) whether the individual assists the *FCA* in action taken against other individuals for *market abuse* and/or in criminal proceedings;

(d) whether the individual has arranged his resources in such a way as to allow or avoid disgorgement and/or payment of a financial penalty;

(e) whether the individual had previously been told about the *FCA's* concerns in relation to the issue, either by means of a private warning or in supervisory correspondence;

(f) the previous disciplinary record and general compliance history of the individual;

(g) action taken against the individual by other domestic or international regulatory authorities that is relevant to the *market abuse* in question;

(h) whether *FCA guidance* or other published materials had already raised relevant concerns, and the nature and accessibility of such materials; and

(i) whether the individual agreed to undertake training subsequent to the *market abuse*.

Step 4 - adjustment for deterrence

DEPP 6.5C.4 G

(1) If the *FCA* considers the figure arrived at after Step 3 is insufficient to deter the individual who committed the *market abuse*, or others, from committing further or similar abuse then the *FCA* may increase the penalty. Circumstances where the *FCA* may do this include:

(a) where the *FCA* considers the absolute value of the penalty too small in relation to the *market abuse* to meet its objective of credible deterrence;

(b) where previous *FCA* action in respect of similar *market abuse* has failed to improve industry standards; and

(c) where the penalty may not act as a deterrent in light of the size of the individual's income or net assets.

Step 5 - settlement discount

DEPP 6.5C.5 G

The *FCA* and the individual on whom a penalty is to be imposed may seek to agree the amount of any financial penalty and other terms. In recognition of the benefits of such agreements, *DEPP 6.7* provides that the amount of the financial penalty which might otherwise have been payable will be reduced to reflect the stage at which the *FCA* and the individual concerned reached an agreement. The settlement discount does not apply to the disgorgement of any benefit calculated at Step 1.

Section : DEPP 6.5D Serious financial hardship

DEPP 6.5D.1 G

(1) The *FCA's* approach to determining penalties described in *DEPP 6.5* to *DEPP 6.5C* is intended to ensure that financial penalties are proportionate to the *breach*. The *FCA* recognises that penalties may affect persons differently, and that the *FCA* should consider whether a reduction in the proposed penalty is appropriate if the penalty would cause the subject of enforcement action serious financial hardship.

(2) Where an individual or firm claims that payment of the penalty proposed by the *FCA* will cause them serious financial hardship, the *FCA* will consider whether to reduce the proposed penalty only if:

(a) the individual or firm provides verifiable evidence that payment of the penalty will cause them serious financial hardship; and

(b) the individual or firm provides full, frank and timely disclosure of the verifiable evidence, and cooperates fully in answering any questions asked by the *FCA* about their financial position.

(3) The onus is on the individual or firm to satisfy the *FCA* that payment of the penalty will cause them serious financial hardship.

[**Note:** For the purposes of *DEPP 6.5D*, "firm" has the special meaning given to it in *DEPP 6.5.1 G*.]

Individuals

DEPP 6.5D.2 G

(1) In assessing whether a penalty would cause an individual serious financial hardship, the *FCA* will consider the individual's ability to pay the penalty over a reasonable period (normally no greater than three years). The *FCA's* starting point is that an individual will suffer serious financial hardship only if during that period his net annual income will fall below £14,000 and his capital will fall below £16,000 as a result of payment of the penalty. Unless the *FCA* believes that both the individual's income and capital will fall below these respective thresholds as a result of payment of the penalty, the *FCA* is unlikely to be satisfied that the penalty will result in serious financial hardship.

(2) The *FCA* will consider all relevant circumstances in determining whether the income and capital threshold levels should be increased in a particular case.

(3) The *FCA* will consider agreeing to payment of the penalty by instalments where the individual requires time to realise his assets, for example by waiting for payment of a salary or by selling property.

(4) For the purposes of considering whether an individual will suffer serious financial hardship, the *FCA* will consider as capital anything that could provide the individual with a source of income, including savings, property (including personal possessions), *investments* and land. The *FCA* will normally consider as capital the equity that an individual has in the home in which he lives, but will consider any representations by the individual about this; for example, as to the exceptionally severe impact a sale of the property might have upon other occupants of the property

or the impracticability of re-mortgaging or selling the property within a reasonable period.

(5) The *FCA* may also consider the extent to which the individual has access to other means of financial support in determining whether he is able to pay the penalty without being caused serious financial hardship.

(6) Where a penalty is reduced it will be reduced to an amount which the individual can pay without going below the threshold levels that apply in that case. If an individual has no income, any reduction in the penalty will be to an amount that the individual can pay without going below the capital threshold.

(7) There may be cases where, even though the individual has satisfied the *FCA* that payment of the financial penalty would cause him serious financial hardship, the *FCA*considers the *breach* to be so serious that it is not appropriate to reduce the penalty. The *FCA* will consider all the circumstances of the case in determining whether this course of action is appropriate, including whether:

(a) the individual directly derived a financial benefit from the *breach* and, if so, the extent of that financial benefit;

(b) the individual acted fraudulently or dishonestly with a view to personal gain;

(c) previous *FCA* action in respect of similar *breaches* has failed to improve industry standards; or

(d) the individual has spent money or dissipated assets in anticipation of *FCA* or other enforcement action with a view to frustrating or limiting the impact of action taken by the *FCA* or other authorities.

Prohibition orders and withdrawal of approval

DEPP 6.5D.3 G

In cases against individuals, including *market abuse* cases, the *FCA* may make a *prohibition order* under *section 56* of the *Act* or withdraw an individual's approval under *section 63* of the *Act*, as well as impose a financial penalty. Such action by the *FCA* reflects the *FCA's* assessment of the individual's fitness to perform *regulated activity* or suitability for a particular role, and does not affect the *FCA's* assessment of the appropriate financial penalty in relation to a *breach*. However, the fact that the *FCA* has made a *prohibition order* against an individual or withdrawn his approval, as a result of which the individual may have less earning potential, may be relevant in assessing whether the penalty will cause the individual serious financial hardship.

Firms

DEPP 6.5D.4 G

(1) The *FCA* will consider reducing the amount of a penalty if a firm will suffer serious financial hardship as a result of having to pay the entire penalty. In deciding whether it is appropriate to reduce the penalty, the *FCA* will take into consideration the firm's financial circumstances, including whether the penalty would render the firm insolvent or threaten the firm's solvency. The *FCA* will also take into account its statutory objectives, for example in situations where *consumers* would be harmed or market confidence would suffer, the *FCA* may consider it appropriate to reduce a penalty in

order to allow a firm to continue in business and/or pay redress.

(2) There may be cases where, even though the firm has satisfied the *FCA* that payment of the financial penalty would cause it serious financial hardship, the *FCA* considers the *breach* to be so serious that it is not appropriate to reduce the penalty. The *FCA* will consider all the circumstances of the case in determining whether this course of action is appropriate, including whether:

(a) the firm directly derived a financial benefit from the *breach* and, if so, the extent of that financial benefit;

(b) the firm acted fraudulently or dishonestly in order to benefit financially;

(c) previous *FCA* action in respect of similar *breaches* has failed to improve industry standards; or

(d) the firm has spent money or dissipated assets in anticipation of *FCA* or other enforcement action with a view to frustrating or limiting the impact of action taken by the *FCA* or other authorities.

Withdrawal of authorisation

DEPP 6.5D.4A G

The *FCA* may withdraw a firm's *authorisation* under *section 33* of the *Act*, as well as impose a financial penalty. Such action by the *FCA* does not affect the *FCA's* assessment of the appropriate financial penalty in relation to a *breach*. However, the fact that the *FCA* has withdrawn a firm's *authorisation*, as a result of which the firm may have less earning potential, may be relevant in assessing whether the penalty will cause the firm serious financial hardship.

Transfers of assets

DEPP 6.5D.5 G

Where the *FCA* considers that, following commencement of an *FCA* investigation, an individual or firm has reduced their solvency in order to reduce the amount of any disgorgement or financial penalty payable, for example by transferring assets to third parties, the *FCA* will normally take account of those assets when determining whether the individual or firm would suffer serious financial hardship as a result of the disgorgement and financial penalty.

Section : DEPP 6.6 Financial penalties for late and incomplete submission of reports

DEPP 6.6.1 G

(1) The *FCA* attaches considerable importance to the timely submission by *firms* of reports. This is because the information that they contain is essential to the *FCA's* assessment of whether a *firm* is complying with the requirements and standards of the *regulatory system* and to the *FCA* understanding of that *firm's* business.

(2) *DEPP 6.6.1 G* to *DEPP 6.6.5 G* set out the *FCA's* policy in relation to financial penalties for late submission of reports and is in addition to the *FCA's* policy relating to financial penalties as set out in *DEPP 6.5* to *DEPP 6.5D*.

DEPP 6.6.2 G

In addition to the factors considered in Step 2 for cases against firms (*DEPP 6.5A*) and cases against individuals (*DEPP 6.5B*), the following considerations are relevant.

(1) In general, the *FCA's* approach to disciplinary action arising from the late submission of a report will depend upon the length of time after the due date that the report in question is submitted.

(2) If the *person* concerned is an individual, it is open to him to make representations to the *FCA* as to why he should not be the subject of a financial penalty, or why a lower penalty should be imposed. If he does so, the matters to which the *FCA* will have regard will include the matters set out in *DEPP 6.5B*. It should be noted that an administrative difficulty such as pressure of work does not, in itself, constitute a relevant circumstance for this purpose.

(3) The *FCA* will have regard to repeated failures to submit reports on time. In the majority of cases involving such repeated failure, the *FCA* considers that it will be appropriate to seek more serious disciplinary sanctions or other enforcement action, including seeking to apply for the cancellation of the firm's permission.

(4) The *FCA* will also have regard to the submission frequency of the late report when assessing the seriousness of the contravention. For example, a short delay in submitting a weekly or monthly report can have serious implications for the supervision of the firm in question. Such a delay may therefore be subject to a higher penalty than might otherwise be the case.

[**Note:** For the purposes of *DEPP 6.6.2 G*, “firm” has the special meaning given to it in *DEPP 6.5.1*.]

DEPP 6.6.3 G

In addition, in appropriate cases, the *FCA* may bring disciplinary action against the individuals within the *firm's* management who are ultimately responsible for ensuring that the *firm's* reports are completed and returned to the *FCA*.

DEPP 6.6.4 G

In applying the *guidance* in this section, the *FCA* may treat a report which is materially incomplete or inaccurate as not received until it has been submitted in a form which is materially complete and accurate. For the purposes of the *guidance*, the *FCA* may also treat a report as not received where the method by which it is submitted to the *FCA* does not comply with the prescribed method of submission.

DEPP 6.6.5 G In most late reporting cases, it will not be necessary for the *FCA* to appoint an investigator since the fact of the breach will be clear. It follows that the *FCA* will not usually send the *firm* concerned a preliminary findings letter for late-reporting disciplinary action.

Section : DEPP 6.7 Discount for early settlement

DEPP 6.7.1 G

Persons subject to enforcement action may be prepared to agree the amount of any financial penalty, or the length of any period of suspension, restriction, condition, limitation or disciplinary prohibition (see *DEPP 6A*), and other conditions which the *FCA* seeks to impose by way of such action. These conditions might include, for example, the amount or mechanism for the payment of compensation to consumers. The *FCA* recognises the benefits of such agreements, as they offer the potential for securing earlier redress or protection for consumers and a cost saving to the *person* concerned and to the *FCA* in contesting the financial penalty or other disciplinary action. The penalty that might otherwise be payable, or the length of the period of suspension, restriction, condition or disciplinary prohibition that might be imposed, for a *breach* by the *person* concerned will therefore be reduced to reflect the timing of any settlement agreement.

The settlement discount scheme applied to financial penalties

DEPP 6.7.2 G

In appropriate cases the *FCA's* approach will be to negotiate with the *person* concerned to agree in principle the amount of a financial penalty having regard to the *FCA's* statement of policy as set out in *DEPP 6.5* to *DEPP 6.5D* and *DEPP 6.6*. (This starting figure will take no account of the existence of the *settlement discount scheme* described in this section.) Such amount ("A") will then be reduced by a percentage of A according to the scheme set out in *DEPP 6.7.3G* to *DEPP 6.7.3CG*. The resulting figure ("B") will be the amount actually payable by the *person* concerned in respect of the *breach*. However, where part of a proposed financial penalty specifically equates to the disgorgement of profit accrued or loss avoided then the percentage reduction will not apply to that part of the penalty.

DEPP 6.7.3 G

(1) Subject to *DEPP 6.7.3G(4)* a settlement discount is available only in cases where a *settlement agreement* (which may be a *focused resolution agreement*) is reached during the period from commencement of an investigation until the *FCA* has:

(a) a sufficient understanding of the nature and gravity of the *breach* to make a reasonable assessment of the appropriate penalty; and

(b) communicated that assessment to the *person* concerned and given them reasonable opportunity to reach agreement as to the amount of the penalty ("stage 1").

(2) The communication of the *FCA's* assessment of the appropriate penalty for the purposes of *DEPP 6.7.3G(1)(b)* need not be in a prescribed form but will include an indication of the *breaches* alleged by the *FCA*. It may include the provision of a draft *warning notice*.

(3) Subject to *DEPP 6.7.3.G(4)*, in relation to any *settlement agreement* other than a *focused resolution agreement* the reduction in penalty will be as follows:

(a) 30% if the agreement is concluded during stage 1; and

(b) 0% in any other case.

(4) Where stage 1 has been started but no *settlement agreement* has been agreed

before 1 March 2017:

(a) if any agreement is reached to settle the case between the period from the end of stage 1 until the expiry of the period for making representations, or, if sooner, the date on which the representations are sent in response to the giving of a warning notice, there will be a reduction of 20% in the penalty; and

(b) if any agreement is reached to settle the case between the expiry of the period of making representations, or, if sooner, the date on which representations are sent in response to the giving of a warning notice and the giving of a decision notice, there will be a reduction of 10% in the penalty.

DEPP 6.7.3A G

The reductions in penalty in cases involving a *focused resolution agreement* will be as follows.

(1) Where agreement is reached in relation to all relevant facts and all issues as to whether those facts constitute a *breach* (or more than one *breach*):

(a) 30% if the agreement is concluded during stage 1; and

(b) 0% in any other case.

(2) Where agreement is reached in relation to all relevant facts:

(a) 15 to 30% if the agreement is concluded during stage 1; and

(b) 0% in any other case.

(3) Where the agreement reached does not fall within either *DEPP 6.7.3AG(1)* or *DEPP 6.7.3AG(2)*:

(a) 0 to 30% if the agreement is concluded during stage 1; and

(b) 0% in any other case.

(4) Where a *focused resolution agreement* is followed:

(a) before the end of stage 1, by a complete *settlement agreement*, the reduction is determined under *DEPP 6.7.3G* and not *DEPP 6.7.3AG*.

(b) after the end of stage 1, by a complete *settlement agreement*, the reduction is determined under *DEPP 6.7.3AG* and not *DEPP 6.7.3G*.

DEPP 6.7.3B G

The decision maker responsible for applying *DEPP 6.7.3AG* is:

(1) The *settlement decision makers* in cases in which the *focused resolution agreement* is followed, after stage 1 has ended, by a complete *settlement agreement*.

(2) The *RDC* in all other cases.

DEPP 6.7.3C G

Where *DEPP 6.7.3AG* specifies that the reduction will be within a range, the decision maker identified by *DEPP 6.7.3BG* will determine the appropriate figure within the range. Factors relevant to this determination may include:

(1) the extent to which the position taken by the *person* subject to enforcement action on the disputed issues at the time the *focused resolution agreement* is entered into is reflected in the terms of the *decision notice*.

(2) any saving of time or public resources as a result of the *focused resolution agreement*.

DEPP 6.7.4 G

(1) Any *settlement agreement* between the *FCA* and the *person* concerned will therefore need to include a statement as to the appropriate penalty discount in accordance with this procedure.

(2) In certain circumstances the *person* concerned may consider that it would have been possible to reach a settlement at an earlier stage in the action, and argue that it should be entitled to a greater percentage reduction in penalty than is suggested by the table at *DEPP 6.7.3G (3)*. It may be, for example, that the *FCA* no longer wishes to pursue its action in respect of all of the acts or omissions previously alleged to give rise to the *breach*. In such cases, the *person* concerned might argue that it would have been prepared to agree an appropriate penalty at an earlier stage and should therefore benefit from the discount which would have been available at that time. Equally, *FCA* staff may consider that greater openness from the *person* concerned could have resulted in an earlier settlement.

(3) Arguments of this nature risk compromising the goals of greater clarity and transparency in respect of the benefits of early settlement, and invite dispute in each case as to when an agreement might have been possible. It will not usually be appropriate therefore to argue for a greater reduction in the amount of penalty on the basis that settlement could have been achieved earlier.

(4) However, in exceptional cases the *FCA* may accept that there has been a substantial change in the nature or seriousness of the action being taken against the *person* concerned, and that an agreement would have been possible at an earlier stage if the action had commenced on a different footing. In such cases the *FCA* and *person* concerned may agree that the amount of the reduction in penalty should reflect the stage at which a settlement might otherwise have been possible or, where the *settlement agreement* is a *focused resolution agreement*, the decision maker identified by *DEPP 6.7.3BG* may take this into account when determining the appropriate figure within the applicable range.

The settlement discount scheme applied to suspensions, restrictions, conditions and disciplinary prohibitions

DEPP 6.7.5 G

In cases in which the *settlement discount scheme* is applied, the fact of settlement and the level of the discount to the financial penalty imposed by the *FCA* will be set out in the *final notice*.

The settlement discount scheme applied to suspensions, restrictions and conditions

DEPP 6.7.6 G

The *settlement discount scheme* which applies to the amount of a financial penalty, described in *DEPP 6.7.2 G* to *DEPP 6.7.5 G*, also applies to the length of the period of a suspension, restriction, condition or disciplinary prohibition (other than a permanent disciplinary prohibition), having regard to the *FCA's* statement of policy as set out in *DEPP 6A.3*. No settlement discount is available with respect to a permanent disciplinary prohibition. The *settlement discount scheme* does not apply to the length of the period for which approvals under *section 59* of the *Act* have effect as a result of a limitation, as different considerations apply to determining the appropriate length of this period: see *DEPP*

6A.1.5G and *DEPP 6A.3AG*. However, the *FCA* will take into account that the *approved person* is willing to enter into a settlement agreement when determining the appropriate period.

CHAPTER

DEPP 6A The power to impose a suspension, restriction, condition, limitation or disciplinary prohibition

Section : DEPP 6A.1 Introduction

DEPP 6A.1.1 G

DEPP 6A sets out the *FCA's* statement of policy with respect to:

(1) the imposition of suspensions, disciplinary prohibitions or restrictions under *sections 88A*, 143W, *206A* and 206B of the *Act*, and the period for which those suspensions or restrictions are to have effect, as required by *sections 88C(1)*, *89S(1)* and *210(1)* of the *Act*;

(2) the imposition of suspensions, conditions or limitations under section 66 of the Act, the period for which suspensions or conditions are to have effect, and the period for which approvals under section 59 have effect as a result of a limitation, as required by section 69(1);

(3) the imposition of disciplinary prohibitions, suspensions or restrictions under *sections 123A* and *123B* of the *Act*, as required by section 124(1); and

(4) the imposition of temporary prohibitions on management functions under regulation 37 of the *Securitisation Regulations 2024*; and

(5) the exercise of its power of *public censure* under sections 312Q of the *Act* and the imposition of disciplinary measures under section 312R of the *Act*, as required by section 312T of the *Act*.

DEPP 6A.1.2 G

(1) For the purposes of *DEPP 6A*, "suspension" refers to the suspension of:

1. (a) any *permission* which an *authorised person* has to carry on a *regulated activity* (under sections 123B or 206A of the *Act*),

2. (b) any approval of the performance by an *approved person* of any function to which the approval relates (under *section 66* of the *Act*),

3. (c) a *sponsor's* approval (under *section 88A(2)(b)* of the *Act*),

4. (d) and a *primary information provider's* approval (under *section 89Q(2)(b)* of the *Act*);

(2) "restriction" refers to limitations or other restrictions in relation to:

(a) the carrying on of a *regulated activity* by an *authorised person* (under sections 123B or 206A of the *Act*),

(b) [deleted]

(c)

the performance of services to which a *sponsor's* approval relates (under *section 88A(2)(c)* of the *Act*);

(d) the dissemination of *regulated information* by a *primary information provider* (under *section 89Q(2)(c)* of the *Act*);

(e) the exercising of functions by a *person* of an *FCA investment firm* or a *parent undertaking* of an *FCA investment firm* (under section 143W(5) of the *Act*)); and

(f) the carrying on of a *relevant designated activity* by a *person* (under section 206B(1)(b) of the *Act*).

(3) "condition" refers to a condition imposed in relation to any approval of the performance by an *approved person* of any function to which the approval relates (under *section 66* of the *Act*);

(4) "limitation" refers, apart from in *DEPP 6A.1.2G(2)*, to a limitation of the period for which any approval of the performance by an *approved person* of any function to which the approval relates is to have effect (under *section 66* of the *Act*);

(5) "disciplinary prohibition" refers to:

(a) a temporary or permanent prohibition on an individual holding an office or position involving responsibility for taking decisions about the management of a *MiFID investment firm* (under section 123A(2)(a) and (3) of the *Act*);

(b) a temporary prohibition on an individual directly or indirectly acquiring or disposing of *financial instruments* on their own account or the account of a third party, (under section 123A(2)(b) of the *Act*);

(c) a temporary prohibition on an individual directly or indirectly making a bid at an auction conducted by a *recognised auction platform*, on their own account or the account of a third party (under section 123A(2)(c) of the *Act*);

(d) a temporary prohibition of an individual that has contravened, or has been knowingly concerned in the contravention of, a relevant requirement (as defined by regulation 35 of the *Securitisation Regulations 2024*); or

(e) the prohibition of a *person* in relation to the carrying on of a *relevant designated activity* (under section 206B(1)(a) of the *Act*); and

(6) for the purpose of section 312T of the *Act*, "disciplinary measures" under section 312R of the *Act* refers to:

(a)

prohibiting the *critical third party* from entering into arrangements, or continuing, to provide services to *authorised persons*, relevant service providers or financial market infrastructure (FMI) entities;

(b) prohibiting *authorised persons*, relevant service providers or FMI entities that 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; and

(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.

DEPP 6A.1.3 G The power to impose a suspension, restriction, condition, limitation or disciplinary prohibition is a disciplinary measure which the *FCA* may use in addition to, or instead of, imposing a financial penalty or issuing a *public censure*. The principal purpose of imposing such a measure is to promote high standards of regulatory and/or market conduct by deterring *persons* who have committed *breaches* from committing further *breaches*, helping to deter other *persons* from committing similar *breaches*, and demonstrating generally the benefits of compliant behaviour. These measures are tools that the *FCA* may employ to help it to achieve its *statutory objectives*. Examples of measures that we may impose include:

(1) we may restrict an *authorised person's* carrying on of a *regulated activity* so that they can only sell certain products or provide certain services;

(2) we may place a condition on an *approved person's* performance of their *controlled functions* so that they can only give advice to *consumers* or deal in certain products if they are appropriately supervised.

(3) we may impose a restriction on the exercise of the functions by a *person* of an *FCA investment firm* or a *parent undertaking* of an *FCA investment firm*.

DEPP 6A.1.4 G The powers to impose a suspension, restriction, condition or limitation in relation to *authorised persons* and *approved persons*, to impose a restriction on *non-authorised parent undertakings* of *FCA investment firms*, members of the *management body* and *employees* of *non-authorised parent undertakings* who are knowingly concerned in contravention of *FCA rules* and to impose a disciplinary prohibition in relation to individuals, are disciplinary measures; where the *FCA* considers it necessary to take action, for example, to protect *consumers* from an *authorised person*, the *FCA* will seek to cancel or vary the *authorised person's permissions*. If the *FCA* has concerns with a *person's* fitness to be approved, and considers it necessary to take action, the *FCA* will seek to prohibit the *approved person* or

withdraw their approval. For an *SMF manager*, the *FCA* may instead vary their approval by imposing one or more conditions, if the *FCA* is satisfied that they would be a fit and proper person to perform functions in relation to *regulated activities* if the conditions are imposed, and that it is appropriate to do so. While the powers to impose a suspension or a restriction in relation to *sponsors* and *primary information providers* under sections 88A(2)(b)/(c) and 89Q(2)(b)/(c) of the *Act* are disciplinary measures, the *FCA* can impose suspensions, limitations or other restrictions in relation to *sponsors* and *primary information providers* in other circumstances.

DEPP 6A.1.5 G The *FCA* expects to impose a limitation in two situations. The *FCA* may impose a limitation where it considers it appropriate for an approval to cease to have effect:

(1) after a certain period, unless the *approved person* demonstrates during the period of limitation that it is appropriate for them to be reapproved without the limitation;

(2) after a short period, without giving the *approved person* the opportunity to demonstrate that they should be re-approved.

The imposition of a limitation in (2) is equivalent to a withdrawal of approval, apart from that it is carried out for disciplinary reasons and the *FCA* will have made no finding of lack of fitness or propriety. The *FCA* recognises that the use of this power will have serious consequences for the *approved person* concerned; therefore, it will exercise its power in a proportionate manner. The *FCA's* policy on determining the length of the limitation is set out in *DEPP 6A.3AG*.

Section : DEPP 6A.2 Deciding whether to take action

DEPP 6A.2.1 G

The *FCA* will consider the full circumstances of each case and determine whether it is appropriate to impose a suspension, restriction, condition, limitation or disciplinary prohibition. The *FCA* will usually make this decision at the same time as it determines whether or not to impose a financial penalty or a *public censure*.

DEPP 6A.2.2 G

The *FCA* will take into account relevant factors in deciding whether it is appropriate to impose a suspension, restriction, condition, limitation or disciplinary prohibition. These may include factors listed in *DEPP 6.2*. There may also be other factors, not listed in *DEPP 6.2*, that are relevant.

DEPP 6A.2.3 G

The *FCA* will consider it appropriate to impose a suspension, restriction, condition, limitation or disciplinary prohibition where it believes that such action will be a more effective and persuasive deterrent than the imposition of a financial penalty alone. This is likely to be the case where the *FCA* considers that direct and visible action in relation to a particular *breach* is necessary. Examples of circumstances where the *FCA* may consider it appropriate to take such action include:

(1) where the *FCA* (or any *previous regulator*) has taken any previous disciplinary action resulting in adverse findings against the *person*;

(2) where the *FCA* has previously taken action in respect of similar *breaches* and has failed to improve industry standards;

(3) where the *person* has failed properly to carry out an agreed redress package or other agreed remedial measures;

(4) where the misconduct appears to be widespread across a number of individuals across a particular business area (suggesting a poor compliance culture);

(5) where the *person's* competitive position in the market has improved as a result of the *breach*;

(6) if, in accordance with *DEPP 6.5D*, the *FCA* considers that a proposed penalty would cause the subject of enforcement action serious financial hardship and that it is appropriate to reduce the proposed penalty;

(7) where, in view of the nature and seriousness of an *approved person's* misconduct, the *FCA* considers it appropriate to impose a limitation on part or all of their approval; and

(8) where, in view of the nature and seriousness of an individual's misconduct, the *FCA* considers it appropriate to impose a disciplinary prohibition.

DEPP 6A.2.4 G

The *FCA* expects usually to impose a suspension, restriction, condition or limitation in relation to activities directly linked to the *breach*. However, in certain circumstances the *FCA* may also impose a suspension, restriction, condition or limitation in relation to activities that are not directly linked to the *breach*, for example, where an *authorised person's* relevant business area no longer exists or has been restructured.

DEPP 6A.2.5 G

For the purposes of *section 89S(1)(d)* of the *Act*, the *FCA* expects usually to suspend the approval of a *primary information provider*.

DEPP 6A.2.6 G

(1)

For the purposes of section 312T of the *Act*, the *FCA* will apply its usual supervisory and enforcement approaches and respond to compliance issues as they arise. The *FCA* may take enforcement action against *critical third parties* in respect of the services that they provide to firms and financial market infrastructure firms (FMIs), when appropriate and proportionate.

(2) The *FCA* may take enforcement action if a *critical third party* has:

1. (a) ignored a direction;
2. (b) contravened a requirement imposed upon it; or
3. (c)

breached any *rules* which may be in force imposing duties on *critical third parties* in connection with the provision of services to *authorised persons*.

(3)

When taking enforcement action, the *FCA* will apply its existing approach to enforcement as set out in *DEPP*, *ENFG* and on its website.

Section : DEPP 6A.3 Determining the appropriate length of the period of suspension, restriction, condition or disciplinary prohibition

DEPP 6A.3.1 G

The *FCA* will consider all the relevant circumstances of a case when it determines the length of the period of suspension, restriction, condition or disciplinary prohibition (if any) that is appropriate for the *breach* concerned, and is also a sufficient deterrent. Set out below is a list of factors that may be relevant for this purpose. The list is not exhaustive: not all of these factors may be applicable in a particular case, and there may be other factors, not listed, that are relevant.

DEPP 6A.3.2 G

The following factors may be relevant to determining the appropriate length of the period of suspension, restriction, condition or disciplinary prohibition to be imposed on a *person* under the *Act*:

(1) Deterrence

When determining the appropriate length of the period of suspension, restriction, condition or disciplinary prohibition the *FCA* will have regard to the principal purpose for which it imposes sanctions, namely to promote high standards of regulatory and/or market conduct by deterring *persons* who have committed *breaches* from committing further *breaches* and helping to deter other *persons* from committing similar *breaches*, as well as demonstrating generally the benefits of compliant business.

(2) The seriousness of the breach

The *FCA* will have regard to the seriousness of the *breach*. In assessing this, it will consider the impact and nature of the *breach*, and whether it was committed deliberately or recklessly. Where the *breach* was committed by an *authorised person*, relevant factors may include those listed in *DEPP 6.5A.2 G (6)* to *(9)*. Where the *breach* was committed by an individual in a non-*market abuse* case, relevant factors may include those listed in *DEPP 6.5B.2 G (8)* to *(11)*. Where the *breach* was committed by an individual in a *market abuse* case, relevant factors may include those listed in *DEPP 6.5C.2G*(11) to (14). There may also be other factors, not listed in these sections, that are relevant.

(3) Aggravating and mitigating factors

The *FCA* will have regard to factors that may aggravate or mitigate a *breach*. Where the *breach* was committed by an *authorised person*, *sponsor* or *primary information provider*, relevant factors may include those listed in *DEPP 6.5A.3 G (2)*. Where the *breach* was committed by an individual in a non-*market abuse* case, relevant factors may include those listed in *DEPP 6.5B.3 G (2)*. Where the *breach* was committed by an individual in a *market abuse* case, relevant factors may include those listed in *DEPP 6.5C.3G(2)*. There may also be other factors, not listed in these sections, that are relevant.

(4) The impact of suspension, restriction, condition or disciplinary prohibition on the person in breach

The following considerations may be relevant to the assessment of the impact of suspension or restriction on an *authorised person*, *sponsor* or *primary information provider* or *non-authorised parent undertaking*:

(a) the *authorised person's*, *sponsor's*, *primary information provider's*, or *non-authorised parent undertaking's* expected lost revenue and profits from not being able to carry out the suspended or restricted activity;

(b) the cost of any measures the *authorised person*, *sponsor* or *primary information provider* or *non-authorised parent undertaking* must undertake to comply with the suspension or restriction;

(c) potential economic costs, for example, the payment of salaries to employees who will not work during the period of suspension or restriction or the payment of compensation to *consumers* who will suffer loss as a result of the suspension or restriction;

(d) the effect on other areas of the *authorised person's*, *sponsor's* or *primary information provider's* or *non-authorised parent undertaking's* business; and

(e) whether the suspension or restriction would cause the *authorised person*, *sponsor*, *primary information provider* or *non-authorised parent undertaking* serious financial hardship.

6. The following considerations may be relevant to the assessment of the impact of suspension or condition on an *approved person* or the impact of a disciplinary prohibition or restriction on an individual:

(f) the *person's* expected lost earnings from not being able to carry out the suspended, restricted or prohibited activity; and

(g) whether the suspension, restriction or disciplinary prohibition would cause the *person* serious financial hardship.

(5) The impact of suspension, restriction or disciplinary prohibition on persons other than the person in breach

The following considerations may be relevant to the assessment of the impact of suspension, restriction or disciplinary prohibition on *persons* other than the *person* in breach:

(a) the extent to which *consumers* may suffer loss or inconvenience as a result of the suspension or restriction. For example, if it is difficult for *consumers* to switch to a competitor, a longer period of suspension or restriction is likely to have more impact; and

(b) the impact of the suspension, restriction or disciplinary prohibition on markets.

DEPP 6A.3.3 G

The *FCA* may delay the commencement of the period of suspension, restriction or disciplinary prohibition. In deciding whether this is appropriate, the *FCA* will take into account all the circumstances of a case. Considerations that may be relevant in respect of an *authorised person*, *sponsor*, *primary information provider* or *non-authorised parent undertaking* include:

(1) the impact of the suspension or restriction on consumers;

(2) any practical measures the *authorised person*, *sponsor primary information provider* needs to take before the period of suspension or restriction begins, for example, changes to its systems and controls to enable it to stop or limit the activity in question;

(3) the impact of the suspension or restriction on other costs incurred by the *authorised person*, *sponsor primary information provider* or *non-authorised parent undertaking*, for example, cancelling suppliers or suspending employees.

DEPP 6A.3.4 G

The *FCA* and the *person* on whom a suspension, restriction or disciplinary prohibition is to be imposed may seek to agree the length of the period of suspension, restriction or disciplinary prohibition and other terms. In recognition of the benefits of such agreements, *DEPP 6.7* provides that the length of a period of suspension, restriction or disciplinary prohibition (other than a permanent disciplinary prohibition) which might otherwise have been imposed will be reduced to reflect the stage at which the *FCA* and the *person* concerned reached an agreement.

Section : DEPP 6A.3A Determining the appropriate length of the period of limitation for approvals under section 59 of the Act

DEPP 6A.3A.1 G

The *FCA* will consider all the relevant circumstances when it determines the period of limitation. Set out below is a list of factors that may be relevant for this purpose. The list is not exhaustive: not all of these factors may be applicable and there may be other factors, not listed, that are relevant.

DEPP 6A.3A.2 G

The following factors may be relevant when determining the period of limitation:

(1) whether the *FCA* may be minded to reapprove the *approved person* in the future, for example if the *approved person* takes action specified by the *FCA* during the period of limitation;

(2) the *approved person's* expected lost earnings if the *FCA* imposes a short period of limitation;

(3) whether imposing a short period of limitation would cause the *approved person* serious financial hardship.

Section : DEPP 6A.3B Determining applications for variation or withdrawal of prohibitions under section 206B of the Act

DEPP 6A.3B.1 G

Section 206B(4) of the *Act* provides that a *person* upon whom a prohibition or restriction has been imposed may make an application for the prohibition or restriction to be withdrawn or varied. When considering these applications, the *FCA* will consider all the relevant circumstances of a case before arriving at a proportionate decision, including the interests of the *person* affected, the ongoing need to deter others from similar misconduct and the ongoing need to guard against the risk of repeat misconduct from the *person* concerned. The relevant circumstances may include, but are not limited to:

(1) the seriousness of the misconduct that resulted in the prohibition or restriction;

(2) the amount of time since the original prohibition or restriction was put in place;

(3) any steps taken subsequently by the *person* to remedy the misconduct;

(4) any evidence which, had it been known to the *FCA* at the time, would have been relevant to the *FCA's* decision to impose the prohibition or restriction; and

(5) whether the *person* continues to pose the level of risk to consumers or confidence in the *financial system* which resulted in the original prohibition if it is lifted.

DEPP 6A.3B.2 G

The *FCA* will take into account any indication given by the *FCA* in the *final notice* that it is minded to withdraw or vary the prohibition or restriction on application after a certain number of years.

DEPP 6A.3B.3 G

The *FCA* will not generally grant an application to withdraw or vary a prohibition or restriction under section 206B of the *Act* unless it is satisfied that the proposed variation will not result in a reoccurrence of the risk to *consumers* or confidence in the *financial system* that resulted in the imposition of the prohibition or restriction.

Section : DEPP 6A.4 The interaction between the power to impose suspensions, restrictions, conditions, limitations or disciplinary prohibitions and the power to impose penalties or public censures

DEPP 6A.4.1 G

The deterrent effect and impact on a *person* of a combination of sanctions may be greater than where only a single sanction is imposed. The *FCA* will consider the overall impact and deterrent effect of the sanctions it imposes when determining the level of any penalty and the length of suspension, restriction, condition, limitation or disciplinary prohibition.

DEPP 6A.4.2 G

The *FCA* expects usually to take the following approach in respect of the interaction between sanctions:

(1) The *FCA* will determine which sanction, or combination of sanctions, is appropriate for the *breach*.

(2) If the *FCA*, following the approach set out in *DEPP 6.2*, considers it appropriate to impose a financial penalty, it will calculate the appropriate level of the financial penalty, following the approach set out in *DEPP 6.5* to *DEPP 6.5D*.

(3) If the *FCA*, following the approach set out in *DEPP 6A.2*, considers it appropriate to impose a suspension, restriction, condition, limitation or disciplinary prohibition (or some combination of these),it will calculate the appropriate length of the period (or periods) of sanction, following the approach set out in *DEPP 6A.3* or *DEPP 6A.3A*, as appropriate.

(4) Where the *FCA* considers it appropriate to impose a combination of sanctions, it will decide whether the combined impact on the *person* is likely to be disproportionate in respect to the *breach* and the deterrent effect of the sanctions.

(5) If the *FCA* considers the combined impact on the *person* is likely to be disproportionate, it will decide whether to reduce the period of suspension, restriction, condition, or disciplinary prohibition, and the amount of any financial penalty or both, so that the combined impact of the sanctions is proportionate in relation to the *breach* and the deterrent effect of the sanctions. The *FCA* will decide which sanction or sanctions to reduce after considering all the circumstances of the case.

(6) In deciding the final level of any financial penalty and the length of any period of suspension, restriction, condition, limitation or disciplinary prohibition, the *FCA* will also take into account any representations by the *person* that the combined impact will cause them serious financial hardship. The *FCA* will take the approach set out in *DEPP 6.5D* in assessing this.

DEPP 6A.4.3 G

The *FCA* may depart from the approach set out in *DEPP 6A.4.2 G*. For example, the *FCA* may at the outset consider that a financial penalty is the only appropriate sanction for a *breach* but, having determined the appropriate level of financial penalty, may consider it appropriate to reduce the amount of the financial penalty for serious financial hardship reasons. In such a situation, the *FCA* may consider it appropriate to impose a suspension, restriction, condition, limitation or disciplinary prohibition even if the *FCA* at the outset did

not consider such a sanction to be appropriate. The *FCA* will take into account whether the *person* would suffer serious financial hardship in deciding the length of the period of suspension, restriction, condition, limitation or disciplinary prohibition and may decide not to impose such a measure if it considers such action would result in serious financial hardship.

Section : DEPP 6A.5 Collective investment schemes: the interaction between the power to suspend or revoke recognition and the power to issue public censures

DEPP 6A.5.1 G

Under sections 271L, 271N, 271R, 279, 281 and 282B of the *Act*, the *FCA* can suspend or revoke recognition of an *OFR recognised scheme* or a *scheme* recognised under section 272 and/or issue the *operator* with a *public censure*. Following the approach in *DEPP 6A.4.1G* and *DEPP 6A.4.2G(3)*, where the *FCA* considers it appropriate to impose both sanctions, it will decide whether the combined impact on the *operator* is likely to be disproportionate in respect to the *breach* and the deterrent effect of the sanctions.

CHAPTER

DEPP 7 Statement of policy on interviews conducted on behalf of overseas and EEA regulators

Section : DEPP 7.1 Application and purpose

Application

DEPP 7.1.1 G

DEPP 7 applies when the *FCA*:

(1) has appointed an investigator at the request of an *overseas regulator*, under section 169(1)(b) (Assistance to overseas regulators)under section 131FA of the *Act*; and

(2) has directed, or is considering directing, the investigator, under section 169(7) or section 131FA of the *Act*, to permit a representative of the *overseas regulator* to attend, and take part in, any interview conducted for the purposes of the investigation.

DEPP 7.1.2 G

In *DEPP 7*, a "requested interview" means any interview conducted for the purposes of an investigation under section 169(1)(b) or section 131FA of the *Act* in relation to which the *FCA* has given a direction under section 169(7) or section 131FA of the *Act*.

Purpose

DEPP 7.1.3 G

The purpose of *DEPP 7* is to set out the *FCA*'s statement of policy on the conduct of interviews to which a direction under section 169(7) or section 131FA has been given or the *FCA* is considering giving. The *FCA* is required to prepare and publish this statement of policy by section 169(9) and (11) and section 131FA of the *Act*. As required by section 169(10) and section 131FA of the Act, the Treasury has approved the statement of policy.

DEPP 7.1.4 G

The *FCA* is keen to promote co-operation with *overseas regulators*. It views provision of assistance to *overseas regulators* as an essential part of discharging its general functions.

Section : DEPP 7.2 Interviews

Appointment of investigator and confidentiality of information

DEPP 7.2.1 G Under section 169(1)(b) and section 131FA of the *Act*, the *FCA* may appoint an investigator to investigate any matter at the request of an *overseas regulator*. The powers of the investigator appointed by the *FCA* (referred to here as the '*FCA*'s investigator') include the power to require *persons* to attend at a specified time and place and answer questions (the compulsory interview power).

DEPP 7.2.2 G Where the *FCA* appoints an investigator in response to a request from an *overseas regulator* it may, under section 169(7) or section 131FA of the *Act*, direct him to permit a representative of that regulator to attend and take part in any interviews conducted for the purposes of the investigation. The *FCA* may only give a direction under section 169(7) or section 131FA if it is satisfied that any information obtained by an *overseas regulator* as a result of the interview will be subject to the safeguards equivalent to those contained in Part XXIII (Public Record, Disclosure of Information and Cooperation) of the *Act*.

DEPP 7.2.3 G *Part XXIII* of the *Act* contains restrictions on the disclosure of confidential information. The restrictions are subject to exceptions contained in regulations made by the Treasury under section 349.

Policy on use of investigative powers

DEPP 7.2.4 G The *FCA's* policy on how it will use its investigative powers, including its power to appoint investigators, in support of *overseas regulators*, is set out in the *FCA*'s Enforcement Guide (*ENFG*).

Use of direction powers

DEPP 7.2.5 G The *FCA* may need to consider whether to use its direction power at two stages of an investigation:

(1) at the same time that it considers the request from the *overseas regulator* to appoint investigators;

(2) after it has appointed investigators, either at the request of the *overseas regulator* or on the recommendation of the investigators.

DEPP 7.2.6 G Before making a direction under section 169(7) or section 131FA the *FCA* will discuss and determine with the *overseas regulator* how this statement of policy will apply to the conduct of the interview, taking into account all the circumstances of the case. Amongst other matters, the *FCA* will at this stage determine the extent to which the representative of the *overseas regulator* will be able to participate in the interview. The *overseas regulator* will be notified of this determination on the issuing of the direction.

DEPP 7.2.7 G The direction will contain the identity of the representative of the *overseas regulator* that is

permitted to attend any interview and the role that he will play in the interview. If the *FCA* envisages that there will be more than one interview in the course of the investigation, the direction may also specify which interview(s) the representative is allowed to attend.

Conduct of interview

DEPP 7.2.8 G

In circumstances where an interview is to be conducted as part of the investigation, the *FCA's* investigator will have conduct of the interview. In general, the *FCA's* investigators will be employees of the *FCA*, but in appropriate cases the *FCA* may appoint *persons* who are not its employees. In those cases, the *FCA* may choose to require that an *FCA* employee is present at the interview and may choose to appoint that *person* as an investigator.

DEPP 7.2.9 G

The *FCA's* investigator will act on behalf of the *FCA* and under its control. He may be instructed to permit the representative of the *overseas regulator* to assist in the preparation of the interview. Where the *FCA* considers it appropriate, it may permit the representative to attend and ask questions of the interviewee in the course of the interview. The interview will be conducted according to the terms of the direction and the notification referred to in *DEPP 7.2.6 G*.

DEPP 7.2.10 G

If the direction does permit the representative of an *overseas regulator* to attend the interview and ask the interviewee questions, the *FCA's* investigator will retain control of the interview throughout. Control of the interview means the following will apply:

(1) The *FCA's* investigator instigates and concludes the interview, introduces everyone present and explains the procedure of the interview. He warns the interviewee of the possible consequences of refusing to answer questions and the uses to which any answers that are given can and cannot be put. The *FCA's* investigator will always ask preliminary questions, such as those establishing the identity of the interviewee.

(2) The *FCA's* investigator determines the duration of the interview and when, if at all, there should be any breaks in the course of it.

(3) The *FCA's* investigator has responsibility for making a record of the interview. The record should note the times and duration of any breaks in the interview and any periods when the representative of the *overseas regulator* was either present or not present.

(4) Where the *FCA's* investigator considers it appropriate, he may either suspend the interview, ask the overseas representative to leave the interview, or terminate the interview and reschedule it for another occasion. In making that decision he will bear in mind the terms of the direction, any agreement made with the *overseas regulator* as to the conduct of the interview and the contents of this statement of policy.

DEPP 7.2.11 G

The *FCA* will in general provide written notice of the appointment of an investigator to the *person* under investigation pursuant to the request of an *overseas regulator* . Whether or not the interviewee is the *person* under investigation, the *FCA's* investigator will inform the interviewee of the provisions under which he has been appointed, the identity of the

requesting authority and general nature of the matter under investigation. The interviewee will also normally be informed if a representative of the *overseas regulator* is to attend and take part in the interview. Notification of any of these matters may not be provided in advance of the interview if the *FCA* believes that the circumstances are such that notification would be likely to result in the investigation being frustrated.

DEPP 7.2.12 G The interviewee will normally be given a copy of the direction issued under section 169(7) or section 131FA in advance of the interview unless to do so would be likely to result in the investigation being frustrated. The interviewee will also be provided with a copy of this statement of policy.

DEPP 7.2.13 G The *FCA's* investigator will determine the venue and timing of the interview. The interviewee will be notified of the venue and timing of the interview in advance and in writing.

DEPP 7.2.14 G When the *FCA's* investigator has exercised the compulsory interview power, at the outset of the interview the interviewee will be given an appropriate warning. The warning, amongst other things, must state that the interviewee is obliged to answer all questions put to them during the interview, including any put by the representative of the *overseas regulator* . It will also state that in criminal proceedings or proceedings for *market abuse* the *FCA* will not use as evidence against the interviewee any information obtained under compulsion during the interview.

DEPP 7.2.15 G The *FCA's* investigator may decide which documents or other information may be put to the interviewee, and whether it is appropriate to give the interviewee sight of the *documents* before the interview takes place. Where the *overseas regulator* wishes to ask questions about *documents* during the interview and the *FCA's* investigator wishes to inspect those *documents* before the interview, he will be given the opportunity to do so. If the *FCA's* investigator wishes to inspect them and has not been able to do so before the interview, he may suspend the interview until he has had an opportunity to inspect them.

DEPP 7.2.16 G When the *FCA's* investigator has exercised the compulsory interview power, the *FCA's* investigator will require the *person* attending the interview to answer questions. Where appropriate, questions may also be posed by the representative of the *overseas regulator* . The interviewee will also be required to answer these questions. The *FCA's* investigator may intervene at any stage during questioning by the representative of the *overseas regulator*.

Language

DEPP 7.2.17 G Interviews will, in general, be conducted in English. Where the interviewee's first language is not English, at the request of the interviewee arrangements will be made for the questions to be translated into the interviewee's first language and for his answers to be translated back into English. If a translator is employed at the request of the representative of the *overseas regulator* then the translation costs will normally be met by the *overseas regulator*. In any event, the meeting of costs in relation to translators and, where applicable, the translation of

documents will always be agreed in advance with the *overseas regulator*.

Tape-recording

DEPP 7.2.18 G All compulsory interviews will be tape-recorded. The method of recording will be decided on and arranged by the *FCA's* investigator. Costs will be addressed similarly to that set out in the preceding paragraph. The *FCA* will not provide the *overseas regulator* with transcripts of the tapes of interviews unless specifically agreed to, but copies of the tapes will normally be provided where requested. The interviewee will be provided with a copy of tapes of the interview but will only be provided with transcripts of the tapes or translations of any transcripts if he agrees to meet the cost of producing them.

Representation

DEPP 7.2.19 G The interviewee may be accompanied at the interview by a legal adviser or a non-legally qualified observer of his choice. The costs of any representation will not be met by the *FCA*. The presence at the interview of a representative of the *overseas regulator* may mean that the interviewee wishes to be represented or accompanied by a *person* either from or familiar with that regulator's jurisdiction. As far as practical the arrangements for the interview should accommodate this wish. However, the *FCA* reserves the right to proceed with the interview if it is not possible to find such a *person* within a reasonable time or no such *person* is able to attend at a suitable venue.

DEPP 7.2.20 G In relation to the publication of investigations by *overseas regulators*, the *FCA* will pursue a policy similar to the policy that relates to its own investigations.

CHAPTER

DEPP 8 Variation of SMF managers' approval on the FCA's own initiative

Section : DEPP 8.1 Introduction

DEPP 8.1.1 G

DEPP 8 sets out the *FCA's* statement of policy on the exercise of its power under *section 63ZB* of the *Act* to vary, on its own initiative, an approval 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 an *SMCR firm*. The *FCA* is required to publish this statement of policy by *section 63ZD* of the *Act*.

[**Note:** the *FCA's* statement of policy on the exercise of its power under *section 63ZA* of the *Act* to vary an approval at the request of an *SMCR firm* is set out in *SUP 10C*.]

DEPP 8.1.2 G

In *DEPP 8*, the power under *section 63ZB* of the *Act* described in *DEPP 8.1.1G* is referred to as the *FCA's* "own-initiative variation of approval power".

Section : DEPP 8.2 Use of the own-initiative variation of approval power: general

DEPP 8.2.1 G

The *FCA* may use the own-initiative variation of approval power where it considers that it is desirable to do so to advance one or more of its operational objectives. The *FCA* will assess this on a case-by-case basis, taking into account the specific circumstances of the *firm* and the *SMF manager*.

DEPP 8.2.2 G

When considering the use of this power to deal with a particular concern, the *FCA* will have regard to the range of regulatory tools that are available. The *FCA* will consider dealing with any concerns informally through discussion and agreement with the *firm* and the *SMF manager*, instead of using the own-initiative variation of approval power.

DEPP 8.2.3 G

The power to impose a conditional or time-limited approval does not depend on the *SMF manager* being unfit without that condition or time limitation. The *FCA* can impose a condition or time limitation even if the candidate would still be fit and proper without it. Conversely, where an *SMF manager* is not fit and proper but might be if a condition or time limitation is imposed, the *FCA* is not obliged to impose a condition or time limitation, and may take the view that a *prohibition order* or withdrawal of approval is the appropriate course of action.

DEPP 8.2.4 G

The *FCA* may vary an approval by:

(1) imposing a condition;

(2) varying a condition;

(3) removing a condition; or

(4) limiting the period for which the approval is to have effect.

DEPP 8.2.5 G

The *FCA* may use the own-initiative variation of approval power in a wide range of circumstances. A number of examples are set out in *DEPP 8.3*. These are not exhaustive.

DEPP 8.2.6 G

The circumstances which will lead to a condition or time limitation being imposed on a *candidate* for an *SMF manager* role will, where appropriate, also lead to an existing *SMF manager's* approval being varied. *SUP 10C* is therefore relevant to the *FCA's* use of the own-initiative variation of approval power.

Section : DEPP 8.3 Use of the own-initiative variation of approval power: specific examples

DEPP 8.3.1 G

Examples of situations where the *FCA* may use the own-initiative variation of approval power include where:

(1) it has concerns about an *SMF manager's* fitness to remain approved in relation to the performance of a *designated senior management function* but, in all the circumstances, it considers it appropriate to vary their approval by imposing one or more conditions or a time limitation, rather than making a *prohibition order* or withdrawing approval;

(2) the nature or scope of the *SMF manager's* role has changed, for example where they have taken on additional or different responsibilities. In this situation, the *FCA* may consider it appropriate to impose a condition that they undertake training to enhance their competency and capability regarding their new responsibilities, or a condition that they receive mentoring;

(3) the size, nature, scope or complexity of the *firm's* activities has significantly changed since the *SMF manager* was first approved;

(4) the *SMF manager* is required to personally support supervisory action in relation to the *firm*. For example, where a *firm* is running a remedial programme the *FCA* may impose a condition that the *SMF manager* take responsibility for managing or overseeing delivery of aspects of that programme;

(5) it is appropriate to use the own-initiative variation of approval power as a matter of urgency (see *DEPP 8.4*);

(6) the *SMF manager's* approval is subject to an existing condition but the *FCA* considers that condition is insufficient to mitigate the risk in respect of which it was imposed. In this case, the *FCA* will vary the condition to make it more effective. The *FCA* may also, or instead, limit the period of the approval;

(7) the *SMF manager's* firm applies to the *FCA* to remove a condition, or vary a condition to make it less onerous, where the condition was imposed by the *FCA* on its own initiative, and the *FCA* considers that it is desirable to remove or vary the condition in order to advance one or more of its operational objectives. The *FCA* expects that such a removal or variation would normally occur on the application of the *firm*.

Section : DEPP 8.4 Use of the own-initiative variation of approval power in urgent cases

DEPP 8.4.1 G

The *FCA* may impose a variation of approval to take effect immediately, or on a specified date, if it reasonably considers that this is necessary having regard to the reasons for which it is exercising the own-initiative variation of approval power.

DEPP 8.4.2 G

The *FCA* will consider exercising its own-initiative variation of approval power as a matter of urgency where:

(1) the information available to it indicates serious concerns about the *SMF manager* or their *firm* that need to be addressed immediately; and

(2) circumstances indicate that it is appropriate to use statutory powers immediately to require and/or prohibit certain actions by the *SMF manager* to ensure these concerns are addressed.

Section : DEPP 8.5 Effects of a breach of condition or time limitation

DEPP 8.5.1 G The effects of breaching a condition or time limitation are set out in *SUP 10C* and *DEPP 6.2.9A*.

CHAPTER

DEPP TP 1 Transitional provisions applying to the Decision Procedure and Penalties Manual

Section : DEPP TP 1 Transitional provisions applying to the Decision Procedure and Penalties Manual

DEPP TP 1

1. Table DEPP TP 1

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision dates in force:	(6) Handbook provision coming into force
1	*DEPP*	G	Expired		
2	*DEPP 6.7* (Discount for early settlement),	G	Expired		
3	*DEPP*	G	Expired		
4	*DEPP*	G	Expired		
5	*DEPP*	G	A *firm* or *individual* who has been given a *statutory notice* before the commencement date in cases where the *RDC*, but for these changes, would be responsible for giving the *decision notice* will continue to	Commencement date	Commencement date

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision dates in force:	(6) Handbook provision coming into force
			have that matter dealt with by the *RDC* under the *RDC* procedures until the matter is concluded.		

CHAPTER

DEPP Sch 1 Record keeping requirements

Section : DEPP Sch 1 Record keeping requirements

DEPP Sch 1.1 G

There are no record-keeping requirements in *DEPP*.

CHAPTER

DEPP Sch 2 Notification requirements

Section : DEPP Sch 2 Notification requirements

DEPP Sch 2.1 G

There are no notification requirements in *DEPP*.

CHAPTER

DEPP Sch 3 Fees and other required payments

Section : DEPP Sch 3 Fees and other required payments

DEPP Sch 3.1 G

There are no requirements for fees in *DEPP*.

DEPP Sch 3.2 G

The *FCA's* power to impose financial penalties is contained in:	
	Section 63A (Power to impose penalties) of the *Act*
	Section 66 (Disciplinary powers) of the *Act*
	Section 88A (Disciplinary powers: contravention of s.88(3)(c) or (e)) of the *Act*
	Section 89Q (Disciplinary powers: contravention of s.89P(4)(b) or (d)) of the *Act*
	Section 91 (Penalties for breach of Part 6 Rules) of the *Act*
	Section 123 (Power to impose penalties in cases of market abuse) of the *Act*
	section 131G (Power to impose penalty or issue censure) of the *Act*
	Section 143W (Disciplinary powers for non-authorised parent undertakings) of the *Act*.
	Section 192K (Power to impose penalty or issue censure) of the *Act*
	Section 206 (Financial penalties) of the *Act*
	Section 249 (Disciplinary measures) of the *Act*
	Section 312F (Financial penalties) of the *Act*
	Section 345 (Disciplinary measures) of the *Act*
	Part III of Schedule 1ZA (The Financial Conduct Authority) to the *Act*
	the *Money Laundering Regulations*
	the *Transfer of Funds (Information on the Payer) Regulations 2007* (*SI 2007/3298)*

	the *RCB Regulations*
	the *Payment Services Regulations*
	[deleted]
	the *OTC derivatives, CCPs and trade repositories regulation*
	the *AIFMD UK regulation*
	the *Referral Fees Regulations*
	the *CCA Order*
	the *Immigration Regulations*
	the *MCD Order*
	the *Small and Medium Sized Business (Credit Information) Regulations*
	the *MiFI Regulations*
	the *UK Benchmarks Regulations 2018*
	the *UK Securitisation Regulations*
	the *Securitisation Regulations 2024*
	the *DRS Regulations*
	the *Payment Accounts Regulations*
	the *Small and Medium Sized Business (Finance Platforms) Regulations*
	the *Proxy Advisors (Shareholders' Rights) Regulations*
	the Financial Services and Markets Act 2023 (Digital Securities Sandbox) Regulations 2023
	the *Pisces sandbox regulations*
	the *Public Offers and Admissions to Trading Regulations*

CHAPTER

DEPP Sch 4 Powers Exercised

Section : DEPP Sch 4 Powers Exercised

DEPP Sch 4.1 G

The following powers and related provisions in or under the *Act* have been exercised by the *FCA* to make the statements of policy in *DEPP*:	
	Section 63C (Statement of policy)
	Section 63ZD (Statement of policy relating to conditional approval and variation)
	Section 69 (Statement of policy) (including as applied by paragraph 1 of Schedule 5 to the *Payment Services Regulations* and by Schedule 1 to the *Short Selling Regulations 2025*)
	Section 88C (Action under s.88A: statement of policy)
	Section 89S (Action under s. 89Q: statement of policy)
	Section 93(1) (Statement of policy)
	Section 124(1) (Statement of policy)
	Section 131J (Impositions of penalties under section 131G: statement of policy)
	Section 139A (Power of the FCA to give guidance)
	Section 143Y (Statement of policy for penalties under section 143W)
	Section 169(9) (Investigations etc in support of overseas regulator) (including as applied by regulation 18 of the *Data Reporting Services Regulations 2024* and by paragraph 3 of Schedule 5 to the *Payment Services Regulations* and by Schedule 1 to the *Short Selling Regulations 2025*)
	Section 192N (Imposition of penalties under section 192K: statement of policy)
	Section 210(1) (Statements of policy) (including as applied by regulation 86(6) of the *Payment Services Regulations*, by article 23(4) of the *MCD Order*, regulation 43 of the *Small and Medium Sized Business (Credit Information) Regulations*, by regulation 36(6) of the *Payment Accounts Regulations*, regulation 40

	of the *Small and Medium Sized Business (Finance Platforms) Regulations*, by Part 3 of the Schedule to the Financial Services and Markets Act 2023 (Digital Securities Sandbox) Regulations 2023, by Part 1 of Schedule 1 to the *Pisces sandbox regulations* and by Schedule 1 to the *Short Selling Regulations 2025*)
	Section 249 (Disciplinary measures)
	Section 312J (Statement of policy) (including as applied by Part 1 of Schedule 1 to the *Pisces sandbox regulations* and by regulation 19 of the *Data Reporting Services Regulations 2024*)
	Section 312T (Statement of policy relating to disciplinary measures)
	Section 345D (Imposition of penalties on auditors or actuaries: statement of policy)
	Section 395 (The Authority's procedures) (including as applied by Part 3 of the Schedule to the Financial Services and Markets Act 2023 (Digital Securities Sandbox) Regulations 2023, by paragraph 7 of Schedule 5 to the *Payment Services Regulations*, by article 24(2) of the *MCD Order*, regulation 44 of the *Small and Medium Sized Business (Credit Information) Regulations*, by paragraph 4 of Schedule 7 of the *Payment Accounts Regulations*, regulation 41 of the *Small and Medium Sized Business (Finance Platforms) Regulations*, by paragraph 12(6) of Schedule 1 to the *Securitisation Regulations 2024*, by Part 1 of Schedule 1 to the *Pisces sandbox regulations* and by Schedule 1 to the *Short Selling Regulations 2025*)
	Paragraph 16 (Penalties) of Schedule 1 (The Financial Services Authority)

DEPP Sch 4.2 G

The following additional powers and related provisions have been exercised by the *FCA* to make the statements of policy in *DEPP*:	
	Regulation 42 (Guidance) of the

	RCB Regulations
	Regulation 44 (Warning notices and decision notices) of the *RCB Regulations*
	Regulation 86 (Proposal to take disciplinary measures) of the *Payment Services Regulations*
	Regulation 93 (Guidance) of the *Payment Services Regulations*
	[deleted]
	Regulation 70 (Warning Notices, Decision Notices and Supervisory Notices) of the *AIFMD UK regulation*
	Regulation 71 (Application of Act to unauthorised AIFs) of the *AIFMD UK regulation*
	Regulation 29 (Statements of policy) of the *Referral Fees Regulations*
	Regulation 30 (Application of Part 26 of the 2000 Act) of the *Referral Fees Regulations*
	Article 3(11) (Application of provisions of *FSMA* 2000 in connection with failure to comply with the 1974 Act) of the *CCA Order*
	Article 4 (Statement of policy) of the *CCA Order*
	Regulation 28 (Statements of policy) of the *Immigration Regulations*
	Regulation 29 (Application of Part 26 of the 2000 Act) of the *Immigration Regulations*
	Paragraph 7 of Schedule 1 (Guidance) of the *MiFI Regulations*
	Paragraph 14 of Schedule 1 (Statements of Policy) of the *MiFI Regulations*
	Paragraph 22 of Schedule 1 (Application of Part 26 of the Act) of the *MiFI Regulations*
	Regulation 20 (Guidance) of the *DRS Regulations*
	Regulation 27 (Statements of Policy) of the *DRS Regulations*
	Regulation 37 (Application of Part 26 of the Act) of the *DRS Regulations*

	Regulation 82 (The FCA: procedure (general)) of the *Money Laundering Regulations*
	Paragraph 3 (Statements of Policy) of Schedule 1 of the Packaged Retail and Insurance-based Investment Products Regulations
	Paragraph 6 (Application of Part 26 of the Act) of Schedule 1 to the Packaged Retail and Insurance-based Investment Products Regulations
	Regulation 14 (Statements of Policy) of the *UK Benchmarks Regulations 2018*
	Regulation 19 (Application of Part 11 of the Act (information gathering and investigations)) of the *UK Benchmarks Regulations 2018*
	Regulation 23 (Application of Part 26 of the Act (notices)) of the *UK Benchmarks Regulations 2018*
	Regulation 9 (Statements of Policy) of the *UK Securitisation Regulations*
	Paragraph 1 of Schedule 1 (Application of sections 66 to 70 of the Act) of the *UK Securitisation Regulations*
	Paragraph 3 of Schedule 1 (Application of *Part 11* of the *Act* (information gathering and investigation)) of the *UK Securitisation Regulations*
	Paragraph 4 of Schedule 1 (Application of Part 14 of the Act (disciplinary measures)) of the *UK Securitisation Regulations*
	Application of *Part 26* of the *Act* (notices) of the *UK Securitisation Regulations*
	Regulation 46 (Statement of policy) of the *Securitisation Regulations 2024*
	Paragraph 10 of Schedule 1 (Application of Part 11 of the Act (information gathering and investigation)) of the *Securitisation Regulations 2024*
	Paragraph 12 of Schedule 1 (Application of Part 26 of the Act

	(notices)) of the *Securitisation Regulations 2024*
	Regulation 16 (Statement of policy on imposition of penalties) of the *Proxy Advisors (Shareholders' Rights) Regulations*
	Regulation 22 (Application of Part 11 of the Act (information gathering and investigations)) of the *Proxy Advisors (Shareholders' Rights) Regulations*
	Regulation 26 (Application of Part 26 of the Act (notices)) of the *Proxy Advisors (Shareholders' Rights) Regulations*
	Regulation 5 (Guidance) of the *CRA (EU Exit) Regulations*
	Regulation 8 (Statement of policy) of the *CRA (EU Exit) Regulations*
	Regulation 18 (Information gathering and investigations) of the *CRA (EU Exit) Regulations*
	Regulation 19 (Notices) of the *CRA (EU Exit) Regulations*
	Regulation 69 (Statement of policy) of the *Trade Repositories (EU Exit) Regulations*
	Regulation 71 (Powers to issue guidance) of the *Trade Repositories (EU Exit) Regulations*
	Regulation 75 (Application of Part 11 of the Act (information gathering and investigations) of the *Trade Repositories (EU Exit) Regulations*
	Regulation 76 (Application of Part 26 of the Act (notices) of the *Trade Repositories (EU Exit) Regulations*
	Regulation 30 (Statement of policy) of the *SFTR (EU Exit) Regulations*
	Regulation 32 (Powers to issue guidance) of the *SFTR (EU Exit) Regulations*
	Regulation 36 (Application of Part 11 of the Act (information gathering and

	investigations)) of the *SFTR (EU Exit) Regulations*
	Regulation 37 (Application of Part 26 of the Act (notices)) of the *SFTR (EU Exit) Regulations*
	Regulation 42 of the *Public Offers and Admissions to Trading Regulations*

CHAPTER

DEPP Sch 5 Rights of action for damages

Section : DEPP Sch 5 Rights of action for damages

DEPP Sch 5.1 G

There are no rules in *DEPP*.

CHAPTER

DEPP Sch 6 Rules that can be waived

Section : DEPP Sch 6 Rules that can be waived

DEPP Sch 6.1 G

There are no rules in *DEPP*.