

SCHEDULES

SCHEDULE 7

Section 114.

QUALIFICATIONS OF DESIGNATED AGENCY

Constitution

- 1 (1) The constitution of the agency must provide for it to have—
- (a) a chairman; and
 - (b) a governing body consisting of the chairman and other members ;
- and the provisions of the constitution relating to the chairman and the other members of the governing body must comply with the following provisions of this paragraph.
- (2) The chairman and other members of the governing body must be persons appointed and liable to removal from office by the Secretary of State and the Governor of the Bank of England acting jointly.
- (3) The members of the governing body must include—
- (a) persons with experience of investment business of a kind relevant to the functions or proposed functions of the agency; and
 - (b) other persons, including regular users on their own account or on behalf of others of services provided by persons carrying on investment business of any such kind ;
- and the composition of that body must be such as to secure a proper balance between the interests of persons carrying on investment business and the interests of the public.

Arrangements for discharge of functions

- 2 (1) The agency's arrangements for the discharge of its functions must comply with the following provisions of this paragraph.
- (2) Any rules or regulations must be made by the governing body of the agency.
- (3) Any decision taken in the exercise of other functions must be taken at a level appropriate to the importance of the decision.
- (4) In the case of functions to be discharged by the governing body, the members falling respectively within paragraphs (a) and (b) of paragraph 1(3) above must, so far as practicable, have an opportunity to express their opinions.
- (5) Subject to sub-paragraphs (2) to (4) above, the arrangements may enable any functions to be discharged by a committee, subcommittee, officer or servant of the agency.

Monitoring and enforcement

- 3 (1) The agency must have a satisfactory system—

Status: This is the original version (as it was originally enacted).

- (a) for enabling it to determine whether persons regulated by it are complying with the obligations which it is the responsibility of the agency to enforce; and
 - (b) for the discharge of the agency's responsibility for the enforcement of those obligations.
- (2) The system may provide for the functions mentioned in subparagraph (1)(a) to be performed on its behalf (and without affecting its responsibility) by any other body or person who is able and willing to perform them.

Investigation of complaints

- 4
- (1) The agency must have effective arrangements for the investigation of complaints arising out of the conduct of investment business by authorised persons or against any recognised self-regulating organisation, professional body, investment exchange or clearing house.
 - (2) The arrangements must make provision for the investigation of complaints in respect of authorised persons to be carried out in appropriate cases independently of the agency and those persons.

Promotion and maintenance of standards

- 5
- The agency must be able and willing to promote and maintain high standards of integrity and fair dealing in the carrying on of investment business and to co-operate, by the sharing of information and otherwise, with the Secretary of State and any other authority, body or person having responsibility for the supervision or regulation of investment business or other financial services.

Records

- 6
- The agency must have satisfactory arrangements for recording decisions made in the exercise of its functions and for the safekeeping of those records which ought to be preserved.