



# Financial Services and Markets Act 2000

## 2000 CHAPTER 8

### PART XVIII

#### RECOGNISED INVESTMENT EXCHANGES AND CLEARING HOUSES

#### CHAPTER I

#### EXEMPTION

#### *Supervision*

#### **293 Notification requirements.**

- (1) The [<sup>F1</sup>appropriate regulator] may make rules requiring a recognised body to give it—
  - (a) notice of such events relating to the body as may be specified; and
  - (b) such information in respect of those events as may be specified.
- (2) The rules may also require a recognised body to give the [<sup>F1</sup>appropriate regulator], at such times or in respect of such periods as may be specified, such information relating to the body as may be specified.
- (3) An obligation imposed by the rules extends only to a notice or information which the [<sup>F1</sup>appropriate regulator] may reasonably require for the exercise of its functions under this Act.
- (4) The rules may require information to be given in a specified form and to be verified in a specified manner.
- (5) If a recognised body—
  - (a) alters or revokes any of its rules or guidance, or
  - (b) makes new rules or issues new guidance,it must give written notice to the [<sup>F2</sup>appropriate regulator] without delay.

*Status: Point in time view as at 01/04/2013.*

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- (6) If a recognised investment exchange makes a change—
- (a) in the arrangements it makes for the provision [<sup>F3</sup>by another person] of clearing services in respect of transactions effected on the exchange, or
  - (b) in the criteria which it applies when determining to whom it will provide [<sup>F4</sup>services falling within section 285(2)(b)],
- it must give written notice to [<sup>F5</sup>the FCA and the Bank of England] without delay.
- (7) If a recognised clearing house makes a change—
- (a) in the recognised investment exchanges for whom it provides clearing services [<sup>F6</sup>or services falling within section 285(3)(b)], or
  - (b) in the criteria which it applies when determining to whom (other than recognised investment exchanges) it will provide clearing services [<sup>F7</sup>or services falling within section 285(3)(b)],
- it must give written notice to [<sup>F8</sup>the Bank of England and the FCA] without delay.
- (8) Subsections (5) to (7) do not apply to an overseas investment exchange or an overseas clearing house.
- (9) “Specified” means specified in [<sup>F9</sup>the appropriate regulator's] rules.

#### Textual Amendments

- F1** Words in s. 293(1)-(3) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by [Financial Services Act 2012 \(c. 21\), s. 122\(3\), Sch. 8 para. 10\(2\)](#) (with [Sch. 20](#)); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.
- F2** Words in s. 293(5) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by [Financial Services Act 2012 \(c. 21\), s. 122\(3\), Sch. 8 para. 10\(2\)](#) (with [Sch. 20](#)); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.
- F3** Words in s. 293(6)(a) inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by [Financial Services Act 2012 \(c. 21\), s. 122\(3\), Sch. 8 para. 10\(3\)\(a\)](#) (with [Sch. 20](#)); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.
- F4** Words in s. 293(6)(b) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by [Financial Services Act 2012 \(c. 21\), s. 122\(3\), Sch. 8 para. 10\(3\)\(b\)](#) (with [Sch. 20](#)); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.
- F5** Words in s. 293(6) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by [Financial Services Act 2012 \(c. 21\), s. 122\(3\), Sch. 8 para. 10\(3\)\(c\)](#) (with [Sch. 20](#)); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.
- F6** Words in s. 293(7)(a) inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by [Financial Services Act 2012 \(c. 21\), s. 122\(3\), Sch. 8 para. 10\(4\)\(a\)](#) (with [Sch. 20](#)); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.
- F7** Words in s. 293(7)(b) inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by [Financial Services Act 2012 \(c. 21\), s. 122\(3\), Sch. 8 para. 10\(4\)\(b\)](#) (with [Sch. 20](#)); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.
- F8** Words in s. 293(7) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by [Financial Services Act 2012 \(c. 21\), s. 122\(3\), Sch. 8 para. 10\(4\)\(c\)](#) (with [Sch. 20](#)); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.
- F9** Words in s. 293(9) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by [Financial Services Act 2012 \(c. 21\), s. 122\(3\), Sch. 8 para. 10\(5\)](#) (with [Sch. 20](#)); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

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#### Commencement Information

- II** S. 293 wholly in force at 1.12.2001; s. 293 not in force at Royal Assent see s. 431(2); s. 293 in force for specified purposes at 18.6.2001 by [S.I. 2001/1820](#), [art. 2](#), [Sch.](#); s. 293 in force in so far as not already in force at 1.12.2001 by [S.I. 2001/3538](#), [art. 2\(1\)](#)

#### [<sup>F10</sup>293] Information: compliance with EU requirements

The appropriate regulator may require a recognised body to give the appropriate regulator such information as the appropriate regulator reasonably requires in order to satisfy itself that the body is complying with any qualifying EU provision that is specified, or of a description specified, for the purposes of this section by the Treasury by order.]

#### Textual Amendments

- F10** S. 293A substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by [Financial Services Act 2012 \(c. 21\)](#), s. 122(3), [Sch. 8 para. 11](#) (with [Sch. 20](#)); [S.I. 2013/113](#), [art. 2\(1\)\(b\)\(c\)](#), [Sch. Pts. 2, 3](#); [S.I. 2013/423](#), [art. 3](#), [Sch.](#)

#### 294 Modification or waiver of rules.

- (1) The [<sup>F11</sup>appropriate regulator] may, on the application or with the consent of a recognised body, direct that rules made under section 293 or 295—
  - (a) are not to apply to the body; or
  - (b) are to apply to the body with such modifications as may be specified in the direction.
- (2) An application must be made in such manner as the [<sup>F12</sup>appropriate regulator] may direct.
- (3) Subsections (4) to (6) apply to a direction given under subsection (1).
- (4) The [<sup>F13</sup>appropriate regulator] may not give a direction unless it is satisfied that—
  - (a) compliance by the recognised body with the rules, or with the rules as unmodified, would be unduly burdensome or would not achieve the purpose for which the rules were made; and
  - (b) the direction would not result in undue risk to persons whose interests the rules are intended to protect.
- (5) A direction may be given subject to conditions.
- (6) The [<sup>F14</sup>appropriate regulator] may—
  - (a) revoke a direction; or
  - (b) vary it on the application, or with the consent, of the recognised body to which it relates.

#### Textual Amendments

- F11** Words in s. 294(1) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by [Financial Services Act 2012 \(c. 21\)](#), s. 122(3), [Sch. 8 para. 12](#) (with [Sch. 20](#)); [S.I. 2013/113](#), [art. 2\(1\)\(c\)](#), [Sch. Pt. 3](#); [S.I. 2013/423](#), [art. 3](#), [Sch.](#)

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- F12** Words in s. 294(2) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by [Financial Services Act 2012 \(c. 21\)](#), s. 122(3), [Sch. 8 para. 12](#) (with [Sch. 20](#)); [S.I. 2013/113](#), art. 2(1)(c), [Sch. Pt. 3](#); [S.I. 2013/423](#), art. 3, [Sch.](#)
- F13** Words in s. 294(4) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by [Financial Services Act 2012 \(c. 21\)](#), s. 122(3), [Sch. 8 para. 12](#) (with [Sch. 20](#)); [S.I. 2013/113](#), art. 2(1)(c), [Sch. Pt. 3](#); [S.I. 2013/423](#), art. 3, [Sch.](#)
- F14** Words in s. 294(6) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by [Financial Services Act 2012 \(c. 21\)](#), s. 122(3), [Sch. 8 para. 12](#) (with [Sch. 20](#)); [S.I. 2013/113](#), art. 2(1)(c), [Sch. Pt. 3](#); [S.I. 2013/423](#), art. 3, [Sch.](#)

#### Modifications etc. (not altering text)

- C1** S. 294 amended (*temp.* from 3.9.2001 to 1.12.2001) by [S.I. 2001/2659](#), [arts. 1\(2\)](#), 3(10); [S.I. 2001/3538](#), [art. 2\(1\)](#)

#### Commencement Information

- I2** S. 294 wholly in force at 3.9.2001; s. 294 not in force at Royal Assent see s. 431(2); s. 294(2) in force for specified purposes at 18.6.2001 by [S.I. 2001/1820](#), [art. 2](#), [Sch.](#); s. 294 in force in so far as not already in force at 3.9.2001 by [S.I. 2001/2632](#), [art. 2 Sch. Pt. 2](#)

## 295 Notification: overseas investment exchanges and overseas clearing houses.

- (1) At least once a year, every overseas investment exchange and overseas clearing house must provide [<sup>F15</sup>the appropriate regulator] with a report.
- (2) The report must contain a statement as to whether any events have occurred which are [<sup>F16</sup>likely to affect the appropriate regulator's assessment of whether it is satisfied as to the requirements set out in section 292(3)].
- (3) The report must also contain such information as may be specified in rules made by [<sup>F17</sup>the appropriate regulator].

<sup>F18</sup>(4) . . . . .

#### Textual Amendments

- F15** Words in s. 295(1) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by [Financial Services Act 2012 \(c. 21\)](#), s. 122(3), [Sch. 8 para. 13\(2\)](#) (with [Sch. 20](#)); [S.I. 2013/113](#), art. 2(1)(c), [Sch. Pt. 3](#); [S.I. 2013/423](#), art. 3, [Sch.](#)
- F16** Words in s. 295(2) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by [Financial Services Act 2012 \(c. 21\)](#), s. 122(3), [Sch. 8 para. 13\(3\)](#) (with [Sch. 20](#)); [S.I. 2013/113](#), art. 2(1)(c), [Sch. Pt. 3](#); [S.I. 2013/423](#), art. 3, [Sch.](#)
- F17** Words in s. 295(3) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by [Financial Services Act 2012 \(c. 21\)](#), s. 122(3), [Sch. 8 para. 13\(4\)](#) (with [Sch. 20](#)); [S.I. 2013/113](#), art. 2(1)(c), [Sch. Pt. 3](#); [S.I. 2013/423](#), art. 3, [Sch.](#)
- F18** S. 295(4) omitted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by virtue of [Financial Services Act 2012 \(c. 21\)](#), s. 122(3), [Sch. 8 para. 13\(5\)](#) (with [Sch. 20](#)); [S.I. 2013/113](#), art. 2(1)(c), [Sch. Pt. 3](#); [S.I. 2013/423](#), art. 3, [Sch.](#)

#### Commencement Information

- I3** S. 295 wholly in force at 1.12.2001; s. 295 not in force at Royal Assent see s. 431(2); s. 295 in force for specified purposes at 18.6.2001 by [S.I. 2001/1820](#), [art. 2](#), [Sch.](#); s. 295 in force in so far as not already in force at 1.12.2001 by [S.I. 2001/3538](#), [art. 2\(1\)](#)

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## 296 [F19 Appropriate regulator's] power to give directions.

- (1) This section applies if it appears to [F20 the appropriate regulator] that a recognised body—
- (a) has failed, or is likely to fail, to satisfy the recognition requirements; or
  - (b) has failed to comply with any other obligation imposed on it by or under this Act.

[F21(1A) This section also applies [F22 if it appears to the appropriate regulator that a recognised body] has failed, or is likely to fail, to comply with any obligation imposed on it by any [F23 directly applicable EU regulation specified (or of a description specified) in an order made by the Treasury].]

- (2) [F24 The regulator concerned] may direct the body to take specified steps for the purpose of securing the body's compliance with—
- (a) the recognition requirements; or
  - (b) any obligation of the kind in question.

[F25(2A) In the case of [F26 a recognised body other than an overseas investment exchange or overseas clearing house], those steps may include—

- (a) the granting to [F27 the regulator concerned] of access to the premises of [F28 the body] for the purpose of inspecting—
  - (i) those premises; or
  - (ii) any documents on the premises which appear to [F27 the regulator concerned] to be relevant for the purpose mentioned in subsection (2);
- (b) the suspension of the carrying on of any regulated activity by [F29 the body] for the period specified in the direction.]

- (3) A direction under this section is enforceable, on the application of [F30 the regulator concerned], by an injunction or, in Scotland, by an order for specific performance under section 45 of the <sup>M1</sup>Court of Session Act 1988.

- (4) The fact that a rule made by a recognised body has been altered in response to a direction given by [F31 an appropriate regulator] does not prevent it from being subsequently altered or revoked by the recognised body.

### Textual Amendments

- F19** Words in s. 296 heading substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by [Financial Services Act 2012 \(c. 21\), s. 122\(3\), Sch. 8 para. 14\(8\)](#) (with Sch. 20); S.I. 2013/113, art. 2(1)(b)(c), Sch. Pts. 2, 3; S.I. 2013/423, art. 3, Sch.
- F20** Words in s. 296(1) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by [Financial Services Act 2012 \(c. 21\), s. 122\(3\), Sch. 8 para. 14\(2\)](#) (with Sch. 20); S.I. 2013/113, art. 2(1)(b)(c), Sch. Pts. 2, 3; S.I. 2013/423, art. 3, Sch.
- F21** S. 296(1A) inserted (1.4.2007 for certain purposes and 1.11.2007 otherwise) by [The Financial Services and Markets Act 2000 \(Markets in Financial Instruments\) Regulations 2007 \(S.I. 2007/126\), regs. 1\(2\), 3\(2\), Sch. 2 para. 7\(a\)](#)
- F22** Words in s. 296(1A) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by [Financial Services Act 2012 \(c. 21\), s. 122\(3\), Sch. 8 para. 14\(3\)\(a\)](#) (with Sch. 20); S.I. 2013/113, art. 2(1)(b)(c), Sch. Pts. 2, 3; S.I. 2013/423, art. 3, Sch.
- F23** Words in s. 296(1A) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by [Financial Services Act 2012 \(c. 21\), s. 122\(3\), Sch. 8 para. 14\(3\)\(b\)](#) (with Sch. 20); S.I. 2013/113, art. 2(1)(b)(c), Sch. Pts. 2, 3; S.I. 2013/423, art. 3, Sch.

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- F24** Words in s. 296(2) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by [Financial Services Act 2012 \(c. 21\)](#), s. 122(3), **Sch. 8 para. 14(4)** (with [Sch. 20](#)); S.I. 2013/113, art. 2(1)(b)(c), [Sch. Pts. 2, 3](#); S.I. 2013/423, art. 3, [Sch.](#)
- F25** S. 296(2A) inserted (1.4.2007 for certain purposes and 1.11.2007 otherwise) by [The Financial Services and Markets Act 2000 \(Markets in Financial Instruments\) Regulations 2007 \(S.I. 2007/126\)](#), regs. 1(2), 3(2), **Sch. 2 para. 7(b)**
- F26** Words in s. 296(2A) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by [Financial Services Act 2012 \(c. 21\)](#), s. 122(3), **Sch. 8 para. 14(5)(a)** (with [Sch. 20](#)); S.I. 2013/113, art. 2(1)(b)(c), [Sch. Pts. 2, 3](#); S.I. 2013/423, art. 3, [Sch.](#)
- F27** Words in s. 296(2A)(a) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by [Financial Services Act 2012 \(c. 21\)](#), s. 122(3), **Sch. 8 para. 14(5)(b)(i)** (with [Sch. 20](#)); S.I. 2013/113, art. 2(1)(b)(c), [Sch. Pts. 2, 3](#); S.I. 2013/423, art. 3, [Sch.](#)
- F28** Words in s. 296(2A)(a) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by [Financial Services Act 2012 \(c. 21\)](#), s. 122(3), **Sch. 8 para. 14(5)(b)(ii)** (with [Sch. 20](#)); S.I. 2013/113, art. 2(1)(b)(c), [Sch. Pts. 2, 3](#); S.I. 2013/423, art. 3, [Sch.](#)
- F29** Words in s. 296(2A)(b) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by [Financial Services Act 2012 \(c. 21\)](#), s. 122(3), **Sch. 8 para. 14(5)(c)** (with [Sch. 20](#)); S.I. 2013/113, art. 2(1)(b)(c), [Sch. Pts. 2, 3](#); S.I. 2013/423, art. 3, [Sch.](#)
- F30** Words in s. 296(3) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by [Financial Services Act 2012 \(c. 21\)](#), s. 122(3), **Sch. 8 para. 14(6)** (with [Sch. 20](#)); S.I. 2013/113, art. 2(1)(b)(c), [Sch. Pts. 2, 3](#); S.I. 2013/423, art. 3, [Sch.](#)
- F31** Words in s. 296(4) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by [Financial Services Act 2012 \(c. 21\)](#), s. 122(3), **Sch. 8 para. 14(7)** (with [Sch. 20](#)); S.I. 2013/113, art. 2(1)(b)(c), [Sch. Pts. 2, 3](#); S.I. 2013/423, art. 3, [Sch.](#)

**Modifications etc. (not altering text)**

- C2** S. 296 amended (*temp.* from 3.9.2001 to 1.12.2001) by S.I. 2001/2659, **arts. 1(2), 3(11)**; S.I. 2001/3538, **art. 2(1)**

**Marginal Citations**

- M1** 1988 c. 36.

**[<sup>F32</sup>296A Additional power to direct [<sup>F33</sup>recognised central counterparties]**

- (1) The Bank of England may direct a [<sup>F34</sup>recognised central counterparty] to take, or refrain from taking, specified action if the Bank is satisfied that it is necessary to give the direction, having regard to the public interest in—
- (a) protecting and enhancing the stability of the UK financial system,
  - (b) maintaining public confidence in the stability of the UK financial system,
  - (c) maintaining the continuity of the <sup>F35</sup>... clearing services provided by the [<sup>F36</sup>recognised central counterparty], and
  - (d) maintaining and enhancing the financial resilience of the [<sup>F36</sup>recognised central counterparty].
- (2) The direction may, in particular—
- (a) specify the time for compliance with the direction,
  - (b) require the rules of the [<sup>F36</sup>recognised central counterparty] to be amended, and
  - (c) override such rules (whether generally or in their application to a particular case).
- (3) The direction may not require the [<sup>F36</sup>recognised central counterparty]—



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- (a) to take any steps for the purpose of securing its compliance with—
    - (i) the recognition requirements, or
    - (ii) any obligation of a kind mentioned in section 296(1)(b) or (1A), or
  - (b) to accept a transfer of property, rights or liabilities of another [<sup>F36</sup>recognised central counterparty].
- (4) If the direction is given in reliance on section 298(7) the Bank must, within a reasonable time of giving the direction, give the [<sup>F36</sup>recognised central counterparty] a statement of its reasons—
- (a) for giving the direction, and
  - (b) for relying on section 298(7).
- (5) The direction is enforceable, on the application of the Bank, by an injunction or, in Scotland, by an order for specific performance under section 45 of the Court of Session Act 1988.
- (6) The Bank may revoke a direction given under this section.]

#### Textual Amendments

- F32** S. 296A inserted (1.4.2013) by [Financial Services Act 2012 \(c. 21\)](#), **ss. 31**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.
- F33** Words in s. 296A heading substituted (1.4.2013) by [The Financial Services and Markets Act 2000 \(Over the Counter Derivatives, Central Counterparties and Trade Repositories\) Regulations 2013 \(S.I. 2013/504\)](#), **regs. 1(2)**, 3(11)(a) (with regs. 52-58)
- F34** Words in s. 296A(1) substituted (1.4.2013) by [The Financial Services and Markets Act 2000 \(Over the Counter Derivatives, Central Counterparties and Trade Repositories\) Regulations 2013 \(S.I. 2013/504\)](#), **regs. 1(2)**, 3(11)(b)(i) (with regs. 52-58)
- F35** Words in s. 296A(1)(c) omitted (1.4.2013) by [The Financial Services and Markets Act 2000 \(Over the Counter Derivatives, Central Counterparties and Trade Repositories\) Regulations 2013 \(S.I. 2013/504\)](#), **regs. 1(2)**, 3(11)(b)(ii) (with regs. 52-58)
- F36** Words in s. 296A(1)-(4) substituted (1.4.2013) by [The Financial Services and Markets Act 2000 \(Over the Counter Derivatives, Central Counterparties and Trade Repositories\) Regulations 2013 \(S.I. 2013/504\)](#), **regs. 1(2)**, 3(11)(c) (with regs. 52-58)

#### 297 Revoking recognition.

- (1) A recognition order [<sup>F37</sup>in respect of a recognised investment exchange or in respect of a recognised clearing house which is not a recognised central counterparty] may be revoked by an order made by [<sup>F38</sup>the appropriate regulator] at the request, or with the consent, of the recognised body concerned.
- [<sup>F39</sup>(1A) A central counterparty recognition order may be revoked by an order made by the Bank of England in accordance with Article 20 of the EMIR regulation.]
- (2) If it appears to [<sup>F40</sup>the appropriate regulator] that a recognised body [<sup>F41</sup>which is not a recognised central counterparty]—
    - (a) is failing, or has failed, to satisfy the recognition requirements, or
    - (b) is failing, or has failed, to comply with any other obligation imposed on it by or under this Act,it may make an order revoking the recognition order for that body even though the body does not wish the order to be made.

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[<sup>F42</sup>(2A) If it appears to [<sup>F43</sup>the appropriate regulator] that a recognised body [<sup>F44</sup>which is not a recognised central counterparty]<sup>F45</sup> ...—

- (a) has not carried on the business of an investment exchange [<sup>F46</sup>or (as the case may be) of a clearing house] during the period of twelve months beginning with the day on which the recognition order took effect in relation to it,
- (b) has not carried on the business of an investment exchange [<sup>F47</sup>or (as the case may be) of a clearing house] at any time during the period of six months ending with the relevant day, or
- (c) has failed, or is likely to fail, to comply with any obligation imposed on it by a [<sup>F48</sup>directly applicable EU regulation specified (or of a description specified) in an order made by the Treasury],

it may make an order revoking the recognition order for that body even though the body does not wish the order to be made.

(2B) The “relevant day”, for the purposes of paragraph (b) of subsection (2A), is the day on which the power to make an order under that subsection is exercised.

(2C) Subsection (2A) does not apply to an overseas investment exchange [<sup>F49</sup>or overseas clearing house].]

(3) An order under this section (“a revocation order”) must specify the date on which it is to take effect.

(4) In the case of a revocation order made under subsection (2) [<sup>F50</sup>or (2A)], the specified date must not be earlier than the end of the period of three months beginning with the day on which the order is made.

(5) A revocation order may contain such transitional provisions as [<sup>F51</sup>the appropriate regulator] thinks necessary or expedient.

[<sup>F52</sup>(6) Where [<sup>F53</sup>the appropriate regulator] makes an order revoking the recognition order for a body that is a recognised investment exchange, it must notify ESMA.]

#### Textual Amendments

- F37** Words in s. 297(1) inserted (1.4.2013) by [The Financial Services and Markets Act 2000 \(Over the Counter Derivatives, Central Counterparties and Trade Repositories\) Regulations 2013 \(S.I. 2013/504\)](#), regs. 1(2), **3(12)(a)** (with regs. 52-58)
- F38** Words in s. 297(1) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by [Financial Services Act 2012 \(c. 21\)](#), s. 122(3), **Sch. 8 para. 15(2)** (with Sch. 20); S.I. 2013/113, art. 2(1)(b)(c), Sch. Pts. 2, 3; S.I. 2013/423, art. 3, Sch.
- F39** S. 297(1A) inserted (1.4.2013) by [The Financial Services and Markets Act 2000 \(Over the Counter Derivatives, Central Counterparties and Trade Repositories\) Regulations 2013 \(S.I. 2013/504\)](#), regs. 1(2), **3(12)(b)** (with regs. 52-58)
- F40** Words in s. 297(2) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by [Financial Services Act 2012 \(c. 21\)](#), s. 122(3), **Sch. 8 para. 15(2)** (with Sch. 20); S.I. 2013/113, art. 2(1)(b)(c), Sch. Pts. 2, 3; S.I. 2013/423, art. 3, Sch.
- F41** Words in s. 297(2) inserted (1.4.2013) by [The Financial Services and Markets Act 2000 \(Over the Counter Derivatives, Central Counterparties and Trade Repositories\) Regulations 2013 \(S.I. 2013/504\)](#), regs. 1(2), **3(12)(c)** (with regs. 52-58)
- F42** S. 297(2A)-(2C) inserted (1.4.2007 for certain purposes and 1.11.2007 otherwise) by [The Financial Services and Markets Act 2000 \(Markets in Financial Instruments\) Regulations 2007 \(S.I. 2007/126\)](#), regs. 1(2), 3(2), **Sch. 2 para. 8(a)**



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- F43** Words in s. 297(2A) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 15(3)(a)(i)** (with Sch. 20); S.I. 2013/113, art. 2(1)(b)(c), Sch. Pts. 2, 3; S.I. 2013/423, art. 3, Sch.
- F44** Words in s. 297(2A) inserted (1.4.2013) by The Financial Services and Markets Act 2000 (Over the Counter Derivatives, Central Counterparties and Trade Repositories) Regulations 2013 (S.I. 2013/504), regs. 1(2), **3(12)(d)** (with regs. 52-58)
- F45** Words in s. 297(2A) omitted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by virtue of Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 15(3)(a)(ii)** (with Sch. 20); S.I. 2013/113, art. 2(1)(b)(c), Sch. Pts. 2, 3; S.I. 2013/423, art. 3, Sch.
- F46** Words in s. 297(2A)(a) inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 15(3)(b)** (with Sch. 20); S.I. 2013/113, art. 2(1)(b)(c), Sch. Pts. 2, 3; S.I. 2013/423, art. 3, Sch.
- F47** Words in s. 297(2A)(b) inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 15(3)(b)** (with Sch. 20); S.I. 2013/113, art. 2(1)(b)(c), Sch. Pts. 2, 3; S.I. 2013/423, art. 3, Sch.
- F48** Words in s. 297(2A)(c) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 15(3)(c)** (with Sch. 20); S.I. 2013/113, art. 2(1)(b)(c), Sch. Pts. 2, 3; S.I. 2013/423, art. 3, Sch.
- F49** Words in s. 297(2C) inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 15(4)** (with Sch. 20); S.I. 2013/113, art. 2(1)(b)(c), Sch. Pts. 2, 3; S.I. 2013/423, art. 3, Sch.
- F50** Words in s. 297(4) inserted (1.4.2007 for certain purposes and 1.11.2007 otherwise) by The Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2007 (S.I. 2007/126), regs. 1(2), 3(2), **Sch. 2 para. 8(b)**
- F51** Words in s. 297(5) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 15(5)** (with Sch. 20); S.I. 2013/113, art. 2(1)(b)(c), Sch. Pts. 2, 3; S.I. 2013/423, art. 3, Sch.
- F52** S. 297(6) inserted (16.4.2012) by The Financial Services (Omnibus 1 Directive) Regulations 2012 (S.I. 2012/916), regs. 1, **2(10)**
- F53** Words in s. 297(6) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 15(5)** (with Sch. 20); S.I. 2013/113, art. 2(1)(b)(c), Sch. Pts. 2, 3; S.I. 2013/423, art. 3, Sch.

**Modifications etc. (not altering text)**

- C3** S. 297 amended (*temp.* from 3.9.2001 to 1.12.2001) by S.I. 2001/2659, **arts. 1(2), 3(11)**; S.I. 2001/3538, **art. 2(1)**

**298 Directions and revocation: procedure.**

- (1) Before giving a direction under section 296 [<sup>F54</sup>or 296A], or making a revocation order under section 297(2) [<sup>F55</sup>or (2A)], [<sup>F56</sup>the appropriate regulator] must—
  - (a) give written notice of its intention to do so to the recognised body concerned;
  - <sup>F57</sup>(b) .....
  - <sup>F58</sup>(c) .....
- (2) A notice under subsection (1) must—
  - (a) state why [<sup>F59</sup>the appropriate regulator] intends to give the direction or make the order; and
  - (b) draw attention to the right to make representations conferred by subsection (3).
- (3) Before the end of the period for making representations—
  - (a) the recognised body,

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<sup>F60</sup>(b) .....  
<sup>F61</sup>(c) .....

may make representations to [<sup>F62</sup>the appropriate regulator].

[<sup>F63</sup>(4) The period for making representations is such period as is specified in the notice (which may, in any particular case, be extended by the appropriate regulator).]

(5) In deciding whether to—

- (a) give a direction, or
- (b) make a revocation order,

[<sup>F64</sup>the appropriate regulator] must have regard to any representations made in accordance with subsection (3).

(6) When [<sup>F65</sup>the appropriate regulator] has decided whether to give a direction under section 296 [<sup>F66</sup>or 296A] or to make the proposed revocation order, it must—

- (a) give the recognised body written notice of its decision; <sup>F67</sup>...

<sup>F67</sup>(b) .....

(7) If [<sup>F68</sup>the appropriate regulator][<sup>F69</sup>reasonably considers it necessary] to do so, it may give a direction under section 296 [<sup>F70</sup>or 296A]—

- (a) without following the procedure set out in this section; or
- (b) if [<sup>F68</sup>the appropriate regulator] has begun to follow that procedure, regardless of whether the period for making representations has expired.

(8) If [<sup>F71</sup>the appropriate regulator] has, in relation to a particular matter, followed the procedure set out in subsections (1) to (5), it need not follow it again if, in relation to that matter, it decides to take action other than that specified in its notice under subsection (1).

#### Textual Amendments

- F54** Words in s. 298(1) inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by [Financial Services Act 2012 \(c. 21\)](#), s. 122(3), [Sch. 8 para. 16\(a\)](#) (with [Sch. 20](#)); S.I. 2013/113, art. 2(1)(c), [Sch. Pt. 3](#); S.I. 2013/423, art. 3, [Sch.](#)
- F55** Words in s. 298(1) inserted (1.4.2007 for certain purposes and 1.11.2007 otherwise) by [The Financial Services and Markets Act 2000 \(Markets in Financial Instruments\) Regulations 2007 \(S.I. 2007/126\)](#), regs. 1(2), 3(2), [Sch. 2 para. 9](#)
- F56** Words in s. 298(1) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by [Financial Services Act 2012 \(c. 21\)](#), s. 122(3), [Sch. 8 para. 16\(b\)](#) (with [Sch. 20](#)); S.I. 2013/113, art. 2(1)(c), [Sch. Pt. 3](#); S.I. 2013/423, art. 3, [Sch.](#)
- F57** S. 298(1)(b) omitted (1.4.2013) by virtue of [Financial Services Act 2012 \(c. 21\)](#), [ss. 32\(2\)](#), 122(3) (with [Sch. 20](#)); S.I. 2013/423, art. 3, [Sch.](#)
- F58** S. 298(1)(c) omitted (1.4.2013) by virtue of [Financial Services Act 2012 \(c. 21\)](#), [ss. 32\(2\)](#), 122(3) (with [Sch. 20](#)); S.I. 2013/423, art. 3, [Sch.](#)
- F59** Words in s. 298(2)(a) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by [Financial Services Act 2012 \(c. 21\)](#), s. 122(3), [Sch. 8 para. 16\(b\)](#) (with [Sch. 20](#)); S.I. 2013/113, art. 2(1)(c), [Sch. Pt. 3](#); S.I. 2013/423, art. 3, [Sch.](#)
- F60** S. 298(3)(b) omitted (1.4.2013) by virtue of [Financial Services Act 2012 \(c. 21\)](#), [ss. 32\(3\)](#), 122(3) (with [Sch. 20](#)); S.I. 2013/423, art. 3, [Sch.](#)
- F61** S. 298(3)(c) omitted (1.4.2013) by virtue of [Financial Services Act 2012 \(c. 21\)](#), [ss. 32\(3\)](#), 122(3) (with [Sch. 20](#)); S.I. 2013/423, art. 3, [Sch.](#)

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- F62** Words in s. 298(3) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 16(b)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.
- F63** S. 298(4) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 32(4)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.
- F64** Words in s. 298(5) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 16(b)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.
- F65** Words in s. 298(6) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 16(b)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.
- F66** Words in s. 298(6) inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 16(a)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.
- F67** S. 298(6)(b) and word omitted (1.4.2013) by virtue of Financial Services Act 2012 (c. 21), **ss. 32(5)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.
- F68** Words in s. 298(7) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 16(b)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.
- F69** Words in s. 298(7) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 32(6)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.
- F70** Words in s. 298(7) inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 16(a)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.
- F71** Words in s. 298(8) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 8 para. 16(b)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

#### Modifications etc. (not altering text)

- C4** S. 298 amended (*temp.* from 3.9.2001 to 1.12.2001) by S.I. 2001/2659, **arts. 1(2)**, 3(11); S.I. 2001/3538, **art. 2(1)**
- C5** S. 298 applied (with modifications) by 1998 c. 40, s. 170B(9) (as inserted (1.4.2013) by The Financial Services and Markets Act 2000 (Over the Counter Derivatives, Central Counterparties and Trade Repositories) Regulations 2013 (S.I. 2013/504), reg. 1(2), **s. 170B(9)** (with regs. 52-58))

#### Commencement Information

- I4** S. 298 wholly in force at 1.12.2001; s. 298 not in force at Royal Assent see s. 431(2); s. 298 in force for specified purposes at 3.9.2001 by S.I. 2001/2632, **art. 2 Sch. Pt. 2**; s. 298 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**

## 299 Complaints about recognised bodies.

- (1) The [<sup>F72</sup>appropriate regulator] must make arrangements for the investigation of any relevant complaint about a recognised body.
- (2) “Relevant complaint” means a complaint which the [<sup>F73</sup>appropriate regulator] considers is relevant to the question of whether the body concerned should remain a recognised body.

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#### **Textual Amendments**

- F72** Words in s. 299(1) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by [Financial Services Act 2012 \(c. 21\)](#), s. 122(3), [Sch. 8 para. 17](#) (with [Sch. 20](#)); [S.I. 2013/113](#), art. 2(1)(c), [Sch. Pt. 3](#); [S.I. 2013/423](#), art. 3, [Sch.](#)
- F73** Words in s. 299(2) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by [Financial Services Act 2012 \(c. 21\)](#), s. 122(3), [Sch. 8 para. 17](#) (with [Sch. 20](#)); [S.I. 2013/113](#), art. 2(1)(c), [Sch. Pt. 3](#); [S.I. 2013/423](#), art. 3, [Sch.](#)

### **300 Extension of functions of Tribunal.**

- (1) If the Treasury are satisfied that the condition mentioned in subsection (2) is satisfied, they may by order confer functions on the Tribunal with respect to disciplinary proceedings—
  - (a) of one or more investment exchanges in relation to which a recognition order under section 290 is in force or of such investment exchanges generally, or
  - (b) of one or more clearing houses in relation to which a recognition order under that section is in force or of such clearing houses generally.
- (2) The condition is that it is desirable to exercise the power conferred under subsection (1) with a view to ensuring that—
  - (a) decisions taken in disciplinary proceedings with respect to which functions are to be conferred on the Tribunal are consistent with—
    - (i) decisions of the Tribunal in cases arising under Part VIII; and
    - (ii) decisions taken in other disciplinary proceedings with respect to which the Tribunal has functions as a result of an order under this section; or
  - (b) the disciplinary proceedings are in accordance with the Convention rights.
- (3) An order under this section may modify or exclude any provision made by or under this Act with respect to proceedings before the Tribunal.
- (4) “Disciplinary proceedings” means proceedings under the rules of an investment exchange or clearing house in relation to market abuse by persons subject to the rules.
- (5) “The Convention rights” has the meaning given in section 1 of the <sup>M2</sup>Human Rights Act 1998.

#### **Marginal Citations**

**M2** 1998 c. 42.

**Status:**

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**Changes to legislation:**

Financial Services and Markets Act 2000, Cross Heading: Supervision is up to date with all changes known to be in force on or before 24 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.