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STATUTORY INSTRUMENTS

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**1996 No. 1669**

**The Financial Institutions (Prudential  
Supervision) Regulations 1996**

**PART IV**

**FINANCIAL SERVICES**

**Grant and refusal of authorisation**

**9.—(1)** Section 27 of the Financial Services Act (grant and refusal of authorisation) shall have effect as if it included provision that the Board shall refuse an application made by a UK investment firm which is not a UK authorised institution if it appears to the Board that—

- (a) the firm is an undertaking which is closely linked with any person; and
- (b) the firm's close links with that person, or any matters relating to any non-EEA laws or administrative provisions to which that person is subject, are such as would prevent the effective exercise by the Board of its supervisory functions in relation to the firm.

(2) Section 28 of that Act (withdrawal and suspension of authorisation) shall have effect as if it included provision that the Board may withdraw or suspend any authorisation held by a UK investment firm which is not a UK authorised institution if it appears to the Board that—

- (a) the firm is an undertaking which is closely linked with any person; and
- (b) the firm's close links with that person, or any matters relating to any non-EEA laws or administrative provisions to which that person is subject, are such as to prevent the effective exercise by the Board of its supervisory functions in relation to the firm.

(3) Section 43 of that Act (listed money market institutions) shall have effect as if it included provision that the conditions and arrangements mentioned in subsection (2) shall be such that no UK investment firm which is not a UK authorised institution shall be admitted to the list, and any such firm may be removed from the list, if it appears to the Bank that—

- (a) the firm is an undertaking which is closely linked with any person; and
- (b) the firm's close links with that person, or any matters relating to any non-EEA laws or administrative provisions to which that person is subject, are such as to prevent the effective exercise by the Bank of its supervisory functions in relation to the firm.

(4) Paragraph 2 of Schedule 2 to that Act (requirements for recognition of self-regulating organisation) shall have effect as if it included provision that the rules and practices there mentioned shall be such that no UK investment firm which is not a UK authorised institution shall be admitted to membership of the organisation, and any such firm may be expelled from such membership, if it appears to the organisation that—

- (a) the firm is an undertaking which is closely linked with any person; and
- (b) the firm's close links with that person, or any matters relating to any non-EEA laws or administrative provisions to which that person is subject, are such as to prevent the effective exercise by the organisation of its supervisory functions in relation to the firm.

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**Status:** This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

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(5) In this regulation—

“non-EEA laws” means laws of a country or territory outside the European Economic Area, and “non-EEA administrative provision” shall be construed accordingly;

“UK authorised institution” and “UK investment firm” have the same meanings as in the Investment Services Regulations 1995<sup>(1)</sup>.

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(1) S.I.1995/3275.