
STATUTORY INSTRUMENTS

2004 No. 1862

The Financial Conglomerates and Other
Financial Groups Regulations 2004

PART 2

Exercise of supplementary supervision of regulated entities in a financial conglomerate

Consultation in the case of major sanctions or exceptional measures

5.—(1) Before the Authority—

- (a) varies the Part IV permission of a member of a financial conglomerate (“D”);
- (b) publishes a statement under section 205 of the Act (public censure) that it considers that D has contravened a requirement imposed on him by or under the Act;
- (c) imposes a penalty on D in respect of such a contravention under section 206 of the Act (financial penalties); or
- (d) exercises any of its powers (other than its powers under section 381, 383 or 384(2)) under Part XXV of the Act (injunctions and restitution) in relation to D,

it must, if it considers that the action constitutes a major sanction or an exceptional measure and is of importance for the supervisory tasks of the competent authority of any regulated entity which is a member of the same financial conglomerate as D, consult that competent authority.

(2) But paragraph (1) does not apply—

- (a) where the Authority considers that there is an urgent need to act;
- (b) where the Authority considers that such consultation may jeopardise the effectiveness of the action mentioned in paragraph (1); or
- (c) where regulation 3, 8(3) or (4), 9 or 10 applies.

(3) Where paragraph (1) does not apply by virtue of paragraph (2)(a) or (b), the Authority must, as soon as is reasonably practicable, inform the competent authority referred to in paragraph (1) of the action that it has taken.