Companies Act 1989

1989 CHAPTER 40

PART III

INVESTIGATIONS AND POWERS TO OBTAIN INFORMATION

Amendments of the Financial Services Act 1986

74 Investigations into insider dealing

(1) Section 177 of the Financial Services Act 1986 (investigations into insider dealing) is amended as follows.

(2) After subsection (2) (power to limit period or scope of investigation) insert—

"(2A) At any time during the investigation the Secretary of State may vary the appointment by limiting or extending the period during which the inspector is to continue his investigation or by confining the investigation to particular matters.".

(3) After subsection (5) (duty of inspectors to report) insert—

"(5A) If the Secretary of State thinks fit, he may direct the inspector to take no further steps in the investigation or to take only such further steps as are specified in the direction; and where an investigation is the subject of such a direction, the inspectors shall make a final report to the Secretary of State only where the Secretary of State directs them to do so.".

(4) For subsection (8) (privilege on grounds of banker's duty of confidentiality) substitute—

"(8) A person shall not under this section be required to disclose any information or produce any document in respect of which he owes an obligation of confidence by virtue of carrying on the business of banking unless—

(a) the person to whom the obligation of confidence is owed consents to the disclosure or production, or

(b) the making of the requirement was authorised by the Secretary of State.”.

(5) In subsection (10) (definition of “documents”) for “references to its production include references to producing” substitute “the power to require its production includes power to require the production of”.

(6) After subsection (10) add—

“(11) A person who is convicted on a prosecution instituted as a result of an investigation under this section may in the same proceedings be ordered to pay the expenses of the investigation to such extent as may be specified in the order.

There shall be treated as expenses of the investigation, in particular, such reasonable sums as the Secretary of State may determine in respect of general staff costs and overheads.”.