

FINANCIAL SERVICES AND MARKETS ACT 2000

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part XVIII: Recognised Investment Exchanges and Clearing Houses

Chapter I: Exemption

Section 300: Extension of functions of Tribunal

540. This section gives the Treasury a power to extend, by order, the jurisdiction of the Financial Services and Markets Tribunal to certain disciplinary proceedings brought by a recognised UK exchange or clearing house. An order may be made in respect of one or more specified recognised exchanges or clearing houses or in respect of recognised exchanges or clearing houses generally.
541. *Subsections (1) and (4)* make clear that jurisdiction may only be extended to cases involving internal disciplinary proceedings taken against members of recognised investment exchanges or recognised clearing houses for breaches of the rules of the exchange or clearing house in cases of behaviour which amounts to market abuse. Since it may be necessary to modify the provisions of the Act relating to proceedings before the Tribunal to accommodate the particular circumstances of a recognised exchange or clearing house, *subsection (3)* enables the Treasury to make any modifications that are necessary.
542. *Subsection (2)* deals with the circumstances in which jurisdiction may be extended. *Subsection (2)(a)* enables jurisdiction to be extended where the Treasury are satisfied that it is necessary to do so in order to ensure consistency between decisions taken in exchange or clearing house disciplinary proceedings involving market abuse and Tribunal decisions in such cases (including Tribunal decisions relating to the relevant disciplinary proceedings of other recognised exchanges or clearing houses). *Subsection (2)(b)* would enable the Treasury to extend the role of the Tribunal to recognised exchange or clearing house disciplinary proceedings in cases of market abuse if it should prove necessary to do so in the future in the light of the developing jurisprudence of the European Court of Human Rights.