



Financial Services and Markets Act 2000

2000 CHAPTER 8

PART V

PERFORMANCE OF REGULATED ACTIVITIES

Prohibition orders

56 Prohibition orders.

- [^{F1}(1) The FCA may make a prohibition order if it appears to it that an individual is not a fit and proper person to perform functions in relation to a regulated activity carried on by—
- (a) an authorised person,
 - (b) a person who is an exempt person in relation to that activity, or
 - (c) a person to whom, as a result of Part 20, the general prohibition does not apply in relation to that activity.
- (1A) The PRA may make a prohibition order if it appears to it that an individual is not a fit and proper person to perform functions in relation to a regulated activity carried on by—
- (a) a PRA-authorised person, or
 - (b) a person who is an exempt person in relation to a PRA-regulated activity carried on by the person.]
- (2) [^{F2}A “prohibition order” is an order] prohibiting the individual from performing a specified function, any function falling within a specified description or any function.
- (3) A prohibition order may relate to—
- (a) a specified regulated activity, any regulated activity falling within a specified description or all regulated activities;
 - [^{F3}(b) all persons falling within subsection (3A) or a particular paragraph of that subsection or all persons within a specified class of person falling within a particular paragraph of that subsection.]

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Changes to legislation: Financial Services and Markets Act 2000, Cross Heading: Prohibition orders is up to date with all changes known to be in force on or before 11 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. (See end of Document for details)

- [^{F4}(3A) A person falls within this subsection if the person is—
- (a) an authorised person,
 - (b) an exempt person, or
 - (c) a person to whom, as a result of Part 20, the general prohibition does not apply in relation to a regulated activity.]
- (4) An individual who performs or agrees to perform a function in breach of a prohibition order is guilty of an offence and liable on summary conviction to a fine not exceeding level 5 on the standard scale.
- (5) In proceedings for an offence under subsection (4) it is a defence for the accused to show that he took all reasonable precautions and exercised all due diligence to avoid committing the offence.
- (6) [^{F5}A person falling within subsection (3A)] must take reasonable care to ensure that no function of his, in relation to the carrying on of a regulated activity, is performed by a person who is prohibited from performing that function by a prohibition order.
- (7) [^{F6}The regulator that has made a prohibition order] may, on the application of the individual named in [^{F7}the order], vary or revoke it.
- [^{F8}(7A) If—
- (a) the FCA proposes to vary or revoke a prohibition order, and
 - (b) as a result of the proposed variation or revocation, an individual—
 - (i) will no longer be prohibited from performing a function of interest to the PRA, or
 - (ii) will be prohibited from performing such a function,
 the FCA must consult the PRA before varying or revoking the order.
- (7B) A function is of interest to the PRA if it is performed in relation to a regulated activity carried on by—
- (a) a PRA-authorised person, or
 - (b) a person who is an exempt person in relation to a PRA-regulated activity carried on by the person.
- (7C) The PRA must consult the FCA before varying or revoking a prohibition order.]
- [^{F9}(8)
- (9) “Specified” means specified in the prohibition order.

Textual Amendments

- F1** S. 56(1)(1A) substituted for s. 56(1) (1.4.2013) by [Financial Services Act 2012 \(c. 21\), ss. 13\(2\), 122\(3\)](#) (with [Sch. 20](#)); [S.I. 2013/423, art. 3, Sch.](#)
- F2** Words in s. 56(2) substituted (1.4.2013) by [Financial Services Act 2012 \(c. 21\), ss. 13\(3\), 122\(3\)](#) (with [Sch. 20](#)); [S.I. 2013/423, art. 3, Sch.](#)
- F3** S. 56(3)(b) substituted (1.4.2013) by [Financial Services Act 2012 \(c. 21\), ss. 13\(4\), 122\(3\)](#) (with [Sch. 20](#)); [S.I. 2013/423, art. 3, Sch.](#)
- F4** S. 56(3A) inserted (1.4.2013) by [Financial Services Act 2012 \(c. 21\), ss. 13\(5\), 122\(3\)](#) (with [Sch. 20](#)); [S.I. 2013/423, art. 3, Sch.](#)
- F5** Words in s. 56(6) substituted (1.4.2013) by [Financial Services Act 2012 \(c. 21\), ss. 13\(6\), 122\(3\)](#) (with [Sch. 20](#)); [S.I. 2013/423, art. 3, Sch.](#)

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- F6** Words in s. 56(7) substituted (1.4.2013) by [Financial Services Act 2012 \(c. 21\), ss. 13\(7\)\(a\)](#), 122(3) (with [Sch. 20](#)); [S.I. 2013/423, art. 3, Sch.](#)
- F7** Words in s. 56(7) substituted (1.4.2013) by [Financial Services Act 2012 \(c. 21\), ss. 13\(7\)\(b\)](#), 122(3) (with [Sch. 20](#)); [S.I. 2013/423, art. 3, Sch.](#)
- F8** S. 56(7A)-(7C) inserted (1.4.2013) by [Financial Services Act 2012 \(c. 21\), ss. 13\(8\)](#), 122(3) (with [Sch. 20](#)); [S.I. 2013/423, art. 3, Sch.](#)
- F9** S. 56(8) omitted (1.4.2013) by virtue of [Financial Services Act 2012 \(c. 21\), ss. 13\(9\)](#), 122(3) (with [Sch. 20](#)); [S.I. 2013/423, art. 3, Sch.](#)

Modifications etc. (not altering text)

- C1** S. 56 amended (*temp.* from 3.9.2001 to 1.12.2001) by [S.I. 2001/2659, arts. 1\(2\)](#), 3(3); [S.I. 2001/3538, art. 2\(1\)](#)
S. 56 modified (*temp.* from 31.10.2001) by [S.I. 2001/3374, arts. 1](#), 11
S. 56 extended (1.12.2001) by [S.I. 2001/2636, arts. 1\(2\)\(b\)](#), 79(1); [S.I. 2001/3538, art. 2\(1\)](#)
- C2** Ss. 56, 60 modified (*temp.*) (8.4.2002) by [The Financial Services and Markets Act 2000 \(Permission and Applications\) \(Credit Unions etc.\) Order 2002 \(S.I. 2002/704\), art. 7](#)
- C3** Ss. 56-58 applied (with modifications) (31.12.2011) by [The Financial Services and Markets Act 2000 \(Permissions, Transitional Provisions and Consequential Amendments\) \(Northern Ireland Credit Unions\) Order 2011 \(S.I. 2011/2832\), art. 8](#)
- C4** S. 56(7) extended (1.12.2001) by [S.I. 2001/3592, arts. 1\(2\)](#), 55(5) (with [art. 23\(2\)](#))
- C5** S. 56(8) amended (*temp.* from 3.9.2001 to 1.12.2001) by [S.I. 2001/2659, arts. 1\(2\)](#), 3(4); [S.I. 2001/3538, art. 2\(1\)](#)

Commencement Information

- I1** S. 56 wholly in force at 1.12.2001; s. 56 not in force at Royal Assent see s. 431(2); s. 56 in force for specified purposes at 3.9.2001 by [S.I. 2001/2632, art. 2\(2\)](#), [Sch. Pt. 2](#); s. 56 in force in so far as not already in force at 1.12.2001 by [S.I. 2001/3538, art. 2\(1\)](#)

57 Prohibition orders: procedure and right to refer to Tribunal.

- (1) If [^{F10}a regulator] proposes to make a prohibition order it must give the individual concerned a warning notice.
- (2) The warning notice must set out the terms of the prohibition.
- (3) If [^{F11}a regulator] decides to make a prohibition order it must give the individual concerned a decision notice.
- (4) The decision notice must—
 - (a) name the individual to whom the prohibition order applies;
 - (b) set out the terms of the order; and
 - (c) be given to the individual named in the order.
- (5) A person against whom a decision to make a prohibition order is made may refer the matter to the Tribunal.

[^{F12}(6) If—

- (a) the FCA proposes to make a prohibition order, and
 - (b) as a result of the proposed order, an individual will be prohibited from performing a function of interest to the PRA,
- the FCA must consult the PRA before giving a warning notice under this section.

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- (7) A function is of interest to the PRA if it is performed in relation to a regulated activity carried on by—
- (a) a PRA-authorised person, or
 - (b) a person who is an exempt person in relation to a PRA-regulated activity carried on by the person.
- (8) The PRA must consult the FCA before giving a warning notice under this section.]

Textual Amendments

- F10** Words in s. 57(1) substituted (1.4.2013) by [Financial Services Act 2012 \(c. 21\), ss. 13\(11\), 122\(3\)](#) (with [Sch. 20](#)); [S.I. 2013/423, art. 3, Sch.](#)
- F11** Words in s. 57(3) substituted (1.4.2013) by [Financial Services Act 2012 \(c. 21\), ss. 13\(11\), 122\(3\)](#) (with [Sch. 20](#)); [S.I. 2013/423, art. 3, Sch.](#)
- F12** S. 57(6)-(8) inserted (1.4.2013) by [Financial Services Act 2012 \(c. 21\), ss. 13\(12\), 122\(3\)](#) (with [Sch. 20](#)); [S.I. 2013/423, art. 3, Sch.](#)

Modifications etc. (not altering text)

- C6** S. 57 excluded (1.12.2001) by [S.I. 2001/3592, arts. 1\(2\), 110\(3\)](#) (with [art. 23\(2\)](#))
- C7** Ss. 56-58 applied (with modifications) (31.12.2011) by [The Financial Services and Markets Act 2000 \(Permissions, Transitional Provisions and Consequential Amendments\) \(Northern Ireland Credit Unions\) Order 2011 \(S.I. 2011/2832\), art. 8](#)
- C8** S. 57(1) extended (1.12.2001) by [S.I. 2001/3592, arts. 1\(2\), 55\(1\)](#) (with [art. 23\(2\)](#))

Commencement Information

- I2** S. 57 wholly in force at 1.12.2001; s. 57 not in force at Royal Assent see s. 431(2); s. 57 in force for specified purposes at 3.9.2001 by [S.I. 2001/2632, art. 2\(2\), Sch. Pt. 2](#); s. 57 in force in so far as not already in force at 1.12.2001 by [S.I. 2001/3538, art. 2\(1\)](#)

58 Applications relating to prohibitions: procedure and right to refer to Tribunal.

- (1) This section applies to an application for the variation or revocation of a prohibition order.
- (2) If the [^{F13}appropriate regulator] decides to grant the application, it must give the applicant written notice of its decision.
- (3) If the [^{F13}appropriate regulator] proposes to refuse the application, it must give the applicant a warning notice.
- (4) If the [^{F13}appropriate regulator] decides to refuse the application, it must give the applicant a decision notice.
- (5) If the [^{F13}appropriate regulator] gives the applicant a decision notice, he may refer the matter to the Tribunal.

[^{F14}(6) The appropriate regulator” means the regulator to which the application is made.]

Textual Amendments

- F13** Words in s. 58(2)-(5) substituted (1.4.2013) by [Financial Services Act 2012 \(c. 21\), s. 122\(3\), Sch. 5 para. 2\(2\)](#) (with [Sch. 20](#)); [S.I. 2013/423, art. 3, Sch.](#)

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F14 S. 58(6) inserted (1.4.2013) by [Financial Services Act 2012 \(c. 21\)](#), s. 122(3), **Sch. 5 para. 2(3)** (with [Sch. 20](#)); [S.I. 2013/423](#), art. 3, [Sch.](#)

Modifications etc. (not altering text)

C9 S. 58 excluded (1.12.2001) by [S.I. 2001/3592](#), **arts. 1(2)**, 110(3) (with [art. 23\(2\)](#))

C10 Ss. 56-58 applied (with modifications) (31.12.2011) by [The Financial Services and Markets Act 2000 \(Permissions, Transitional Provisions and Consequential Amendments\) \(Northern Ireland Credit Unions\) Order 2011 \(S.I. 2011/2832\)](#), **art. 8**

Commencement Information

I3 S. 58 wholly in force at 1.12.2001; s. 58 not in force at Royal Assent see s. 431(2); s. 58 in force for specified purposes at 3.9.2001 by [S.I. 2001/2632](#), **art. 2(2)**, **Sch. Pt. 2**; s. 58 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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