



Investment Exchanges and Clearing Houses Act 2006

2006 CHAPTER 55

1 Power of FSA to disallow excessive regulatory provision

In Part 18 of the Financial Services and Markets Act 2000 (c. 8) (recognised investment exchanges and clearing houses), after section 300 insert—

“Power to disallow excessive regulatory provision

300A Power of Authority to disallow excessive regulatory provision

- (1) This section applies where a recognised body proposes to make any regulatory provision in connection with its business as an investment exchange or the provision by it of clearing services.
- (2) If it appears to the Authority—
 - (a) that the proposed provision will impose a requirement on persons affected (directly or indirectly) by it, and
 - (b) that the requirement is excessive,the Authority may direct that the proposed provision must not be made.
- (3) A requirement is excessive if—
 - (a) it is not required under [^{F1}EU] law or any enactment or rule of law in the United Kingdom, and
 - (b) either—
 - (i) it is not justified as pursuing a reasonable regulatory objective, or
 - (ii) it is disproportionate to the end to be achieved.
- (4) In considering whether a requirement is excessive the Authority must have regard to all the relevant circumstances, including—
 - (a) the effect of existing legal and other requirements,

Changes to legislation: There are currently no known outstanding effects for the Investment Exchanges and Clearing Houses Act 2006, Section 1. (See end of Document for details)

- (b) the global character of financial services and markets and the international mobility of activity,
 - (c) the desirability of facilitating innovation, and
 - (d) the impact of the proposed provision on market confidence.
- (5) In this section “requirement” includes any obligation or burden.
- (6) Any provision made in contravention of a direction under this section is of no effect.”.

Textual Amendments

- F1** Word in Act substituted (22.4.2011) by [The Treaty of Lisbon \(Changes in Terminology\) Order 2011 \(S.I. 2011/1043\)](#), arts. 2, [3](#), 6 (with art. 3(2)(3), 4(2), 6(4)(5))

Changes to legislation:

There are currently no known outstanding effects for the Investment Exchanges and Clearing Houses Act 2006, Section 1.