

*These notes refer to the Financial Services Act 2010
(c.28) which received Royal Assent on 8 April 2010*

FINANCIAL SERVICES ACT 2010

EXPLANATORY NOTES

COMMENTARY ON SECTIONS AND SCHEDULES

Short selling

Section 8: Power of FSA to prohibit, or require disclosure of, short selling

New section 131G: Power to impose penalty or issue censure

140. *Subsections (1) to (3)* set out the penalty for contravention of the short selling rules, or failure to comply with an information requirement imposed under new section 131E, or new section 131F. The FSA may impose an unlimited fine on any person, whether or not that person is an authorised person, if it is satisfied that the person has contravened any part of the short selling rules or an information requirement. The FSA may alternatively decide not to impose a fine, but to publish a statement of censure instead.
141. *Subsections (4) to (6)* impose a three-year time limit on the FSA's ability to take such enforcement action against a person, unless, before the end of the three-year period, the FSA has given a warning notice to the person concerned under section 131H. The three-year period within which the FSA can act begins with the first day that the FSA knew that a person contravened any provision of the short selling rules or the information requirement.