

FINANCIAL SERVICES ACT 2010

EXPLANATORY NOTES

COMMENTARY ON SECTIONS AND SCHEDULES

FSA's disciplinary powers

Section 9: Suspending permission to carry on regulated activities etc

152. Sections 205 and 206 of FSMA set out the disciplinary measures available to the FSA in respect of a contravention by an authorised person of a requirement imposed by or under FSMA or a directly applicable EU regulation made under the markets in financial instruments directive.
153. This section inserts a new section 206A into FSMA providing the FSA with additional sanctions to deal with such breaches. Those additional sanctions are the power to suspend, limit or otherwise restrict an authorised person's permission for up to a maximum of 12 months.
154. The section permits the FSA to impose one or more of the available sanctions in respect of the same contravention.
155. Sections 207 and 208 of FSMA set out the procedure for taking disciplinary measures, namely a warning notice followed by a decision notice and right of referral to the Tribunal. *Paragraphs 18 and 19 of Schedule 2* make consequential amendments to those sections to apply the same procedure to the imposition of the new sanctions.
156. Section 210 of FSMA requires the FSA to issue a statement of policy regarding the imposition of a financial penalty under section 206. *Paragraph 20 of Schedule 2* makes a consequential amendment to that section so that the statement of policy must also cover the length of any suspensions or restrictions imposed under the new s206A.