

SCHEDULE 9

AMENDMENTS OF FINANCIAL SERVICES ACT

Requirements for recognition of self-regulating organisation

45.—(1) Paragraph 2 of Schedule 2 to the Act (requirements for recognition of self-regulating organisation) shall have effect as if it included provision that the rules and practices of the organisation must be such as to secure that no European institution, other than one on which an absolute prohibition has been imposed under regulation 15 of these Regulations, is refused admission to the organisation, or expelled from it, for reasons relating to the institution's fitness to carry on any home-regulated investment business.

(2) Paragraph 3 of that Schedule⁽¹⁾ shall have effect as if it included provision that the rules of the organisation must not include, as respects any European institution—

- (a) provision requiring the institution to have and maintain financial resources in respect of any home-regulated investment business carried on by it; or
- (b) provision as to any other matter for which, under the Second Council Directive, responsibility is reserved to a supervisory authority in the institution's home State.

(3) That paragraph shall also have effect as if—

- (a) the reference in sub-paragraph (3) to Chapter VI of Part I of the Act included a reference to regulation 16 of these Regulations; and
- (b) it included provision that the rules of the organisation must be such as to secure that, where a power falling within that sub-paragraph is exercisable by virtue of a European institution's contravention of a requirement to furnish information for statistical purposes, the exercise of the power shall be subject to such restrictions as are necessary for the purposes of complying with article 21 of the Second Council Directive.

(4) Paragraph 7 of that Schedule shall have effect as if it included provision that, for the purposes of complying with the Second Council Directive, the organisation must be able and willing to co-operate, by the sharing of information and otherwise, with supervisory authorities in other member States.

(1) Paragraph 3 has been amended by section 203 of the Companies Act 1989 (c. 40).