

SCHEDULE 7

OTHER AMENDMENTS OF FINANCIAL SERVICES ACT

Insider dealing

37.—(1) Section 178 of the Act (penalty for failure to co-operate with section 177 investigations) shall have effect as if—

- (a) the reference in subsection (3) to an authorised person included a reference to a European investment firm; and
- (b) the notices which may be served on a European investment firm under that subsection included a notice—
 - (i) directing that regulation 5(1)(a) of these Regulations shall not apply in relation to the firm after the expiry of a specified period after the service of the notice; or
 - (ii) directing that during a specified period that provision shall apply in relation to the firm only as respects the performance of contracts entered into before the notice comes into force;
- (c) the reference in subsection (4) to the period mentioned in paragraphs (a) and (c) of subsection (3) included a reference to the period mentioned in paragraph (b)(i) and (ii) above;
- (d) any reference in subsection (5) to an unauthorised person did not include a reference to a European investment firm carrying on home-regulated investment business in the United Kingdom; and
- (e) the reference in that subsection to any authorised person included a reference to such a European investment firm.

(2) That section shall also have effect as if it included provision that, if it appears to the Secretary of State—

- (a) that a person on whom he serves a notice under subsection (3) is a European investment firm carrying on home-regulated investment business in the United Kingdom; or
- (b) that a person on whom he serves a revocation notice under subsection (7) was such a firm at the time when the notice which is being revoked was served,

he shall serve a copy of the notice on the Board or, in the case of a firm which is a member of a recognised self-regulating organisation, that organisation.