



Companies Act 1989

1989 CHAPTER 40

PART VIII

AMENDMENTS OF THE FINANCIAL SERVICES ACT 1986

195 Codes of practice

In Chapter V of Part I of the Financial Services Act 1986 (conduct of investment business), after the sections inserted by section 194 above, insert—

“63C Codes of practice

- (1) The Secretary of State may issue codes of practice with respect to any matters dealt with by statements of principle issued under section 47A or by rules or regulations made under any provision of this Chapter.
- (2) In determining whether a person has failed to comply with a statement of principle—
 - (a) a failure by him to comply with any relevant provision of a code of practice may be relied on as tending to establish failure to comply with the statement of principle, and
 - (b) compliance by him with the relevant provisions of a code of practice may be relied on as tending to negative any such failure.
- (3) A contravention of a code of practice with respect to a matter dealt with by rules or regulations shall not of itself give rise to any liability or invalidate any transaction; but in determining whether a person’s conduct amounts to contravention of a rule or regulation—
 - (a) contravention by him of any relevant provision of a code of practice may be relied on as tending to establish liability, and
 - (b) compliance by him with the relevant provisions of a code of practice may be relied on as tending to negative liability.

Status: This is the original version (as it was originally enacted).

- (4) Where by virtue of section 63A (application of designated rules and regulations to members of self-regulating organisations) rules or regulations—
- (a) do not apply, to any extent, to a member of a recognised self-regulating organisation, or
 - (b) apply, to any extent, subject to the rules of the organisation, a code of practice with respect to a matter dealt with by the rules or regulations may contain provision limiting its application to a corresponding extent.”.