



Financial Services and Markets Act 2000

2000 CHAPTER 8

VALID FROM 01/04/2007

PART 18A

SUSPENSION AND REMOVAL OF FINANCIAL INSTRUMENTS FROM TRADING

313A Authority's power to require suspension or removal of financial instruments from trading

- (1) The Authority may, for the purpose of protecting—
 - (a) the interests of investors, or
 - (b) the orderly functioning of the financial markets,require an institution to suspend or remove a financial instrument from trading.
- (2) If the Authority exercises the power conferred by subsection (1), the institution concerned or, if any, the issuer of the financial instrument concerned may refer the matter to the Tribunal.
- (3) In this section, “trading” includes trading otherwise than on a regulated market or a multilateral trading facility.

313B Suspension or removal of financial instruments from trading: procedure

- (1) A requirement imposed on an institution under section 313A (a “relevant requirement”) takes effect—
 - (a) immediately, if the notice given under subsection (2) states that this is the case;
 - (b) in any other case, on such date as may be specified in the notice.
- (2) If the Authority proposes to impose a relevant requirement on an institution, or imposes such a requirement with immediate effect, it must give written notice to—
 - (a) the institution, and

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- (b) if any, the issuer of the financial instrument in question.
- (3) The notice must—
- (a) give details of the relevant requirement;
 - (b) state the Authority's reasons for imposing the requirement and choosing the date on which it took effect or takes effect;
 - (c) inform the recipient that he may make representations to the Authority within such period as may be specified by the notice (whether or not he has referred the matter to the Tribunal);
 - (d) inform him of the date on which the requirement took effect or takes effect; and
 - (e) inform him of his right to refer the matter to the Tribunal and give an indication of the procedure on such a reference.
- (4) The Authority may extend the period within which representations may be made to it.
- (5) If, having considered any representations made to it by the institution or any issuer, the Authority decides—
- (a) to impose the relevant requirement proposed, or
 - (b) if it has been imposed, not to revoke it,
- it must give the institution and any issuer written notice.
- (6) If, having considered any representations made to it by the institution or any issuer, the Authority decides—
- (a) not to impose the relevant requirement proposed, or
 - (b) to revoke a requirement which has been imposed,
- it must give the institution and any issuer written notice.
- (7) A notice given under subsection (5) must inform the recipient of his right to refer the matter to the Tribunal.
- (8) Subsections (9) and (10) apply if—
- (a) the Authority has imposed a relevant requirement on an institution, and
 - (b) the institution or any issuer of the financial instrument in question has applied for the revocation of the requirement.
- (9) If the Authority decides to grant the application, it must give the institution and any issuer written notice of its decision.
- (10) If the Authority proposes to refuse the application, it must give the institution and any issuer a warning notice.
- (11) If, having considered any representations made in response to the warning notice, the Authority decides to refuse the application, it must give the institution and any issuer a decision notice.
- (12) If the Authority gives a decision notice under subsection (11), the recipient may refer the matter to the Tribunal.

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VALID FROM 09/04/2010

^{F1}
^{F2} **Procedure following consideration of representations**

^{F2} **313BA** (1) This section applies where, within the period specified under section 313B(3), (3A) or (4), representations are made to the Authority in relation to a requirement that it has proposed to impose or has imposed under section 313A.

- (2) The Authority must decide whether to impose the requirement or (in the case of a requirement that has been imposed) whether to revoke it.
- (3) In the case of a requirement that the Authority has proposed to impose on a class of institutions, the Authority may decide to impose the requirement—
 - (a) on the class;
 - (b) on the class apart from one or more specified members of it; or
 - (c) only on one or more specified members of the class.
- (4) In the case of a requirement that the Authority has imposed on a class of institutions, the Authority may decide to revoke it in relation to—
 - (a) the class;
 - (b) the class apart from one or more specified members of it; or
 - (c) one or more specified members of the class only.
- (5) The Authority must give written notice of its decision to—
 - (a) any institution which has made representations, and
 - (b) the issuer of the financial instrument in question (if any).
- (6) In the case of a requirement that the Authority has proposed to impose or has imposed on a class, the Authority must also give notice of its decision by publishing it by means of a regulatory information service unless the decision is—
 - (a) to impose the requirement on the class, or
 - (b) not to revoke the requirement in relation to the class or any member of it.
- (7) An institution to which notice is required to be given under subsection (5) may refer the matter to the Tribunal if the Authority's decision is that the requirement will be imposed on, or will continue to apply to, the institution.
- (8) An issuer to whom notice is required to be given under subsection (5) may refer the matter to the Tribunal if the Authority's decision is that the requirement will be imposed on, or will continue to apply to, the institution or (in the case of a requirement relating to a class) any of the institutions in the class.
- (9) A notice given under subsection (5) must inform the recipient if the recipient has a right to refer the matter to the Tribunal.]

Textual Amendments

- F1** Pt. 18A inserted (1.4.2007 for certain purposes and 1.11.2007 otherwise) by [The Financial Services and Markets Act 2000 \(Markets in Financial Instruments\) Regulations 2007 \(S.I. 2007/126\)](#), regs. 1(2), 3(3), [Sch. 3 para. 1](#)

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F2 Ss. 313BA-313BE inserted (9.4.2010) by [The Financial Services and Markets Act 2000 \(Amendments to Part 18A etc.\) Regulations 2010 \(S.I. 2010/1193\)](#), **reg. 4**

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313BB Revocation of requirements: applications by institutions

- (1) This section applies where the Authority has imposed a requirement on an institution or a class of institutions under section 313A.
- (2) The institution or any of the institutions in the class may apply to the Authority for the revocation of the requirement.
- (3) The Authority must decide whether to revoke the requirement.
- (4) In the case of a requirement imposed on a class of institutions, the Authority may decide to revoke it in relation to—
 - (a) the class;
 - (b) the class apart from one or more specified members of it; or
 - (c) one or more specified members of the class only.
- (5) The Authority must give a warning notice if—
 - (a) in the case of a requirement imposed on an institution, the Authority proposes not to revoke the requirement, or
 - (b) in the case of a requirement imposed on a class, the Authority proposes to make a decision which would have the effect that the requirement continues to apply to the applicant (whether or not it would have the effect that it continues to apply to other members of the class).
- (6) The warning notice must be given to—
 - (a) the applicant, and
 - (b) the issuer of the financial instrument in question (if any).

Textual Amendments

- F1** Pt. 18A inserted (1.4.2007 for certain purposes and 1.11.2007 otherwise) by [The Financial Services and Markets Act 2000 \(Markets in Financial Instruments\) Regulations 2007 \(S.I. 2007/126\)](#), regs. 1(2), 3(3), **Sch. 3 para. 1**
- F2** Ss. 313BA-313BE inserted (9.4.2010) by [The Financial Services and Markets Act 2000 \(Amendments to Part 18A etc.\) Regulations 2010 \(S.I. 2010/1193\)](#), **reg. 4**

VALID FROM 09/04/2010

313BC Decisions on applications for revocation by institutions

- (1) This section applies where, having considered any representations made in response to a warning notice, the Authority has decided whether to grant an application for revocation made under section 313BB.

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- (2) The Authority must give written notice in accordance with subsection (3) if—
 - (a) in the case of a requirement imposed on an institution, the Authority decides to revoke the requirement, or
 - (b) in the case of a requirement imposed on a class, the Authority makes a decision which has the effect that the requirement will no longer apply to the applicant (whether or not it will continue to apply to other members of the class).
- (3) The written notice must be given to—
 - (a) the applicant, and
 - (b) the issuer of the financial instrument in question (if any).
- (4) If the Authority is required to give written notice under subsection (2) in relation to a requirement imposed on a class, the Authority must also give notice of its decision by publishing it by means of a regulatory information service.
- (5) The Authority must give a decision notice in accordance with subsection (6) if—
 - (a) in the case of a requirement imposed on an institution, the Authority decides not to revoke the requirement, or
 - (b) in the case of a requirement imposed on a class, the Authority makes a decision which has the effect that the requirement will continue to apply to the applicant (whether or not it will continue to apply to other members of the class).
- (6) The decision notice must be given to—
 - (a) the applicant, and
 - (b) the issuer of the financial instrument in question (if any).
- (7) If the Authority is required to give a decision notice in relation to a requirement imposed on a class, the Authority must also give notice of its decision by publishing it by means of a regulatory information service.
- (8) If the Authority gives a decision notice, the recipient may refer the matter to the Tribunal.

Textual Amendments

- F1** Pt. 18A inserted (1.4.2007 for certain purposes and 1.11.2007 otherwise) by [The Financial Services and Markets Act 2000 \(Markets in Financial Instruments\) Regulations 2007 \(S.I. 2007/126\)](#), regs. 1(2), 3(3), [Sch. 3 para. 1](#)
- F2** Ss. 313BA-313BE inserted (9.4.2010) by [The Financial Services and Markets Act 2000 \(Amendments to Part 18A etc.\) Regulations 2010 \(S.I. 2010/1193\)](#), [reg. 4](#)

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313BD Revocation of requirements: applications by issuers

- (1) This section applies where the Authority has imposed a requirement on an institution or a class of institutions under section 313A.

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- (2) The issuer of the financial instrument may apply to the Authority for the revocation of the requirement.
- (3) The Authority must decide whether to revoke the requirement.
- (4) In the case of a requirement imposed on a class of institutions, the Authority may decide to revoke it in relation to—
 - (a) the class;
 - (b) the class apart from one or more specified members of it; or
 - (c) one or more specified members of the class only.
- (5) The Authority must give the issuer a warning notice if—
 - (a) in the case of a requirement imposed on an institution, the Authority proposes not to revoke the requirement, or
 - (b) in the case of a requirement imposed on a class, the Authority proposes not to revoke the requirement or to revoke it in relation to—
 - (i) the class apart from one or more specified members of it, or
 - (ii) one or more specified members of the class only.

Textual Amendments

- F1** Pt. 18A inserted (1.4.2007 for certain purposes and 1.11.2007 otherwise) by [The Financial Services and Markets Act 2000 \(Markets in Financial Instruments\) Regulations 2007 \(S.I. 2007/126\)](#), regs. 1(2), 3(3), [Sch. 3 para. 1](#)
- F2** Ss. 313BA-313BE inserted (9.4.2010) by [The Financial Services and Markets Act 2000 \(Amendments to Part 18A etc.\) Regulations 2010 \(S.I. 2010/1193\)](#), [reg. 4](#)

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313BE Decisions on applications for revocation by issuers

- (1) This section applies where, having considered any representations made in response to a warning notice, the Authority has decided whether to grant an application for revocation made under section 313BD.
- (2) The Authority must give written notice to the issuer if the Authority decides to revoke the requirement.
- (3) If the Authority is required to give written notice under subsection (2) in relation to a requirement imposed on a class, the Authority must also give notice of its decision by publishing it by means of a regulatory information service.
- (4) The Authority must give the issuer a decision notice if—
 - (a) in the case of a requirement imposed on an institution, the Authority decides not to revoke the requirement, or
 - (b) in the case of a requirement imposed on a class, the Authority decides not to revoke the requirement or makes a decision to revoke the requirement in relation to—
 - (i) the class apart from one or more specified members of it, or
 - (ii) one or more specified members of the class only.

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(5) If the Authority is required to give a decision notice under subsection (4)(b), it must also give notice of its decision by publishing it by means of a regulatory information service.

(6) If the Authority gives a decision notice under subsection (4), the issuer may refer the matter to the Tribunal.]]

Textual Amendments

- F1** Pt. 18A inserted (1.4.2007 for certain purposes and 1.11.2007 otherwise) by [The Financial Services and Markets Act 2000 \(Markets in Financial Instruments\) Regulations 2007 \(S.I. 2007/126\)](#), regs. 1(2), 3(3), [Sch. 3 para. 1](#)
- F2** Ss. 313BA-313BE inserted (9.4.2010) by [The Financial Services and Markets Act 2000 \(Amendments to Part 18A etc.\) Regulations 2010 \(S.I. 2010/1193\)](#), [reg. 4](#)

313C Notification in relation to suspension or removal of a financial instrument from trading

- (1) If the Authority exercises the power under section 313A(1) in relation to a financial instrument traded on a regulated market, it must as soon as reasonably practicable—
- publish its decision in such manner as it considers appropriate, and
 - inform the competent authorities of all other EEA States of its decision.
- (2) If the Authority receives notice from a recognised investment exchange that the exchange has suspended or removed a financial instrument from trading on a regulated market operated by it, the Authority must inform the competent authorities of all other EEA States of the action taken by the exchange.
- (3) Subsections (4) and (5) apply if the Authority receives notice from the competent authority of another EEA State that that authority, pursuant to Article 41.2 of the markets in financial instruments directive—
- has required the suspension of a financial instrument from trading, or
 - has required the removal of a financial instrument from trading.
- (4) In the case of a notice under subsection (3)(a), the Authority—
- must require each recognised investment exchange to suspend the instrument from trading on any regulated market operated by the exchange, and
 - must require each institution operating a multilateral trading facility to suspend the instrument from trading on that facility,
- unless such a step would be likely to cause significant damage to the interests of investors or the orderly functioning of the financial markets.
- (5) In the case of a notice under subsection (3)(b), the Authority—
- must require each recognised investment exchange to remove the instrument from trading on any regulated market operated by the exchange, and
 - must require each institution operating a multilateral trading facility to remove the instrument from trading on that facility,
- unless such a step would be likely to cause significant damage to the interests of investors or the orderly functioning of the financial markets.

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(6) "Competent authority" has the meaning given in Article 4.1.22 of the markets in financial instruments directive.

313D Interpretation of Part 18A

In this Part—

"financial instrument" has the meaning given in Article 4.1.17 of the markets in financial instruments directive;

"institution" means—

- (a) a recognised investment exchange, other than an overseas investment exchange (within the meaning of Part 18);
- (b) an investment firm;
- (c) a credit institution authorised under the banking consolidation directive, when carrying on investment services and activities; or
- (d) an institution which would satisfy the requirements for authorisation as a credit institution under that directive if it had its registered office (or if it does not have a registered office, its head office) in an EEA State,

but does not include an EEA firm qualifying for authorisation under Schedule 3;

"issuer", in relation to a financial instrument, means the person who issued the instrument;

"multilateral trading facility" has the meaning given in Article 4.1.15 of the markets in financial instruments directive;

"regulated market" has the meaning given in Article 4.1.14 of the markets in financial instruments directive.

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