



# Financial Services and Markets Act 2000

## 2000 CHAPTER 8

### [<sup>F1</sup>PART 1A

#### THE REGULATORS

### [<sup>F1</sup>CHAPTER 1

#### THE FINANCIAL CONDUCT AUTHORITY

##### Textual Amendments

- F1** Pt. 1A substituted for Pt. 1 (24.1.2013 for specified purposes, 19.2.2013 for specified purposes, 1.4.2013 in so far as not already in force) by [Financial Services Act 2012 \(c. 21\)](#), ss. **6(1)**, 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(b)(c)(2), Sch. Pts. 2, 3, 4; S.I. 2013/423, art. 3, Sch.

#### *The Financial Conduct Authority*

### **1A The Financial Conduct Authority**

- (1) The body corporate previously known as the Financial Services Authority is renamed as the Financial Conduct Authority.
- (2) The Financial Conduct Authority is in this Act referred to as “the FCA”.
- (3) The FCA is to have the functions conferred on it by or under this Act.
- (4) The FCA must comply with the requirements as to its constitution set out in Schedule 1ZA.
- (5) Schedule 1ZA also makes provision about the status of the FCA and the exercise of certain of its functions.

*Status: Point in time view as at 20/12/2018.*

*Changes to legislation: Financial Services and Markets Act 2000, CHAPTER 1 is up to date with all changes known to be in force on or before 20 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

- (6) References in this Act or any other enactment to functions conferred on the FCA by or under this Act include references to functions conferred on the FCA by or under—
- (a) the Insolvency Act 1986,
  - (b) the Banking Act 2009,
  - (c) the Financial Services Act 2012, <sup>F2</sup> ...  
<sup>F3</sup>(cza) [ the Financial Guidance and Claims Act 2018,]  
<sup>F4</sup>(czb) [ the Civil Liability Act 2018,]  
<sup>F5</sup>(ca) [ the Alternative Investment Fund Managers Regulations 2013, <sup>F6</sup>...]
  - (d) a qualifying EU provision that is specified, or of a description specified, for the purposes of this subsection by the Treasury by order.  
<sup>F7</sup>(e) [ regulations made by the Treasury under section 8 of the European Union (Withdrawal) Act 2018.]

#### Textual Amendments

- F2** Word in s. 1A(6) omitted (22.7.2013) by virtue of [The Alternative Investment Fund Managers Regulations 2013 \(S.I. 2013/1773\)](#), reg. 1, **Sch. 1 para. 2**
- F3** S. 1A(6)(cza) inserted (1.10.2018) by [Financial Guidance and Claims Act 2018 \(c. 10\)](#), s. 37(5), **Sch. 3 para. 6**; S.I. 2018/1029, reg. 2(q)
- F4** S. 1A(6)(czb) inserted (20.12.2018) by [Civil Liability Act 2018 \(c. 29\)](#), **ss. 11(10)(a)**, 14
- F5** S. 1A(6)(ca) inserted (22.7.2013) by [The Alternative Investment Fund Managers Regulations 2013 \(S.I. 2013/1773\)](#), reg. 1, **Sch. 1 para. 2**
- F6** Word in s. 1A(6)(ca) omitted (26.10.2018) by virtue of [The Financial Regulators Powers \(Technical Standards etc.\) \(Amendment etc.\) \(EU Exit\) Regulations 2018 \(S.I. 2018/1115\)](#), regs. 1(2), **7(2)(a)**
- F7** S. 1A(6)(e) and word inserted (26.10.2018) by [The Financial Regulators Powers \(Technical Standards etc.\) \(Amendment etc.\) \(EU Exit\) Regulations 2018 \(S.I. 2018/1115\)](#), regs. 1(2), **7(2)(b)**

#### Modifications etc. (not altering text)

- C1** S. 1A modified (26.6.2017) by [The Money Laundering, Terrorist Financing and Transfer of Funds \(Information on the Payer\) Regulations 2017 \(S.I. 2017/692\)](#), regs. 1(2), **63(8)** (with regs. 8, 15)
- C2** S. 1A(3) applied (with modifications) (6.4.2018 immediately after 2016 c. 16 (N.I.), s. 8(2) comes into force) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2018 \(S.I. 2018/323\)](#), art. 1, **Sch. 1 para. 2(2)(a)** (with art. 3)

### *The FCA's general duties*

#### **1B The FCA's general duties**

- (1) In discharging its general functions the FCA must, so far as is reasonably possible, act in a way which—
- (a) is compatible with its strategic objective, and
  - (b) advances one or more of its operational objectives.
- (2) The FCA's strategic objective is: ensuring that the relevant markets (see section 1F) function well.
- (3) The FCA's operational objectives are—

*Status: Point in time view as at 20/12/2018.*

*Changes to legislation: Financial Services and Markets Act 2000, CHAPTER 1 is up to date with all changes known to be in force on or before 20 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

- (a) the consumer protection objective (see section 1C);
  - (b) the integrity objective (see section 1D);
  - (c) the competition objective (see section 1E).
- (4) The FCA must, so far as is compatible with acting in a way which advances the consumer protection objective or the integrity objective, discharge its general functions in a way which promotes effective competition in the interests of consumers.
- (5) In discharging its general functions the FCA must have regard to—
- (a) the regulatory principles in section 3B, and
  - (b) the importance of taking action intended to minimise the extent to which it is possible for a business carried on—
    - (i) by an authorised person or a recognised investment exchange, or
    - (ii) in contravention of the general prohibition,to be used for a purpose connected with financial crime.
- (6) For the purposes of this Chapter, the FCA's general functions are—
- (a) its function of making rules under this Act (considered as a whole),
    - [ its function of making technical standards in accordance with Chapter 2A of Part 9A;]
  - <sup>F8</sup>(aa) its function of preparing and issuing codes under this Act (considered as a whole),
  - (c) its functions in relation to the giving of general guidance under this Act (considered as a whole), and
  - (d) its function of determining the general policy and principles by reference to which it performs particular functions under this Act.
- (7) Except to the extent that an order under section 50 of the Financial Services Act 2012 (orders relating to mutual societies functions) so provides, the FCA's general functions do not include functions that are transferred functions within the meaning of section 52 of that Act.
- [ The FCA's general functions do not include its general pensions guidance functions <sup>F9</sup>(7A) (see section 333O(3)).]
- (8) “General guidance” has the meaning given in section 139B(5).

#### Textual Amendments

- F8** S. 1B(6)(aa) inserted (26.10.2018) by [The Financial Regulators Powers \(Technical Standards etc.\) \(Amendment etc.\) \(EU Exit\) Regulations 2018](#) (S.I. 2018/1115), regs. 1(2), **7(3)**
- F9** S. 1B(7A) inserted (3.3.2015) by [Pension Schemes Act 2015](#) (c. 8), s. 89(1)(a), **Sch. 3 para. 3** (with s. 87)

#### Modifications etc. (not altering text)

- C3** S. 1B(4) restricted (26.7.2013) by [The Financial Services and Markets Act 2000 \(Regulated Activities\) \(Amendment\) \(No.2\) Order 2013](#) (S.I. 2013/1881), arts. 1(4), **61(2)**
- C4** S. 1B(4) restricted (E.W.S.) (29.11.2018 for specified purposes) by [The Financial Services and Markets Act 2000 \(Claims Management Activity\) Order 2018](#) (S.I. 2018/1253), arts. 1(2)(3), **84(2)**

*Status: Point in time view as at 20/12/2018.*

*Changes to legislation: Financial Services and Markets Act 2000, CHAPTER 1 is up to date with all changes known to be in force on or before 20 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

## 1C The consumer protection objective

- (1) The consumer protection objective is: securing an appropriate degree of protection for consumers.
- (2) In considering what degree of protection for consumers may be appropriate, the FCA must have regard to—
  - (a) the differing degrees of risk involved in different kinds of investment or other transaction;
  - (b) the differing degrees of experience and expertise that different consumers may have;
  - (c) the needs that consumers may have for the timely provision of information and advice that is accurate and fit for purpose;
  - (d) the general principle that consumers should take responsibility for their decisions;
  - (e) the general principle that those providing regulated financial services should be expected to provide consumers with a level of care that is appropriate having regard to the degree of risk involved in relation to the investment or other transaction and the capabilities of the consumers in question;
  - (f) the differing expectations that consumers may have in relation to different kinds of investment or other transaction;
  - (g) any information which the consumer financial education body has provided to the FCA in the exercise of the consumer financial education function;
  - (h) any information which the scheme operator of the ombudsman scheme has provided to the FCA pursuant to section 232A.

## 1D The integrity objective

- (1) The integrity objective is: protecting and enhancing the integrity of the UK financial system.
- (2) The “integrity” of the UK financial system includes—
  - (a) its soundness, stability and resilience,
  - (b) its not being used for a purpose connected with financial crime,
  - (c) its not being affected by [<sup>F10</sup>contraventions by persons of Article 14 (prohibition of insider dealing and of unlawful disclosure of inside information) or Article 15 (prohibition of market manipulation) of the market abuse regulation],
  - (d) the orderly operation of the financial markets, and
  - (e) the transparency of the price formation process in those markets.

### Textual Amendments

**F10** Words in s. 1D(2)(c) substituted (3.7.2016) by [The Financial Services and Markets Act 2000 \(Market Abuse\) Regulations 2016 \(S.I. 2016/680\)](#), regs. 1, **10(2)**

## 1E The competition objective

- (1) The competition objective is: promoting effective competition in the interests of consumers in the markets for—

*Status: Point in time view as at 20/12/2018.*

*Changes to legislation: Financial Services and Markets Act 2000, CHAPTER 1 is up to date with all changes known to be in force on or before 20 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

- (a) regulated financial services, or
  - (b) services provided by a recognised investment exchange in carrying on regulated activities in respect of which it is by virtue of section 285(2) exempt from the general prohibition.
- (2) The matters to which the FCA may have regard in considering the effectiveness of competition in the market for any services mentioned in subsection (1) include—
- (a) the needs of different consumers who use or may use those services, including their need for information that enables them to make informed choices,
  - (b) the ease with which consumers who may wish to use those services, including consumers in areas affected by social or economic deprivation, can access them,
  - (c) the ease with which consumers who obtain those services can change the person from whom they obtain them,
  - (d) the ease with which new entrants can enter the market, and
  - (e) how far competition is encouraging innovation.

*Interpretation of terms used in relation to FCA's general duties*

## **1F Meaning of “relevant markets” in strategic objective**

In section 1B(2) “the relevant markets” means—

- (a) the financial markets,
- (b) the markets for regulated financial services (see section 1H(2)), and
- (c) the markets for services that are provided by persons other than authorised persons in carrying on regulated activities but are provided without contravening the general prohibition.

## **1G Meaning of “consumer”**

- (1) In sections 1B to 1E “consumers” means persons [<sup>F11</sup>who]—
- (a) [<sup>F12</sup>who] use, have used or may use—
    - (i) regulated financial services, or
    - (ii) services that are provided by persons other than authorised persons but are provided in carrying on regulated activities, [<sup>F12</sup>who]
  - (b) [<sup>F12</sup>who] have relevant rights or interests in relation to any of those services,
  - (c) [<sup>F12</sup>who] have invested, or may invest, in financial instruments, <sup>F13</sup>...
  - (d) [<sup>F12</sup>who] have relevant rights or interests in relation to financial instruments [<sup>F14</sup>, [<sup>F15</sup>or]
  - (e) [<sup>F12</sup>who] have rights, interests or obligations that are affected by the level of a regulated benchmark][<sup>F16</sup>; or
  - (f) in respect of whom a person carries on an activity which is specified in article 89G of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (seeking out etc claims) whether that activity, as carried on by that person, is a regulated activity, or is, by reason of an exclusion provided for under the 2001 Order or the 2000 Act, not a regulated activity.]
- (2) A person (“P”) has a “relevant right or interest” in relation to any services within subsection (1)(a) if P has a right or interest—

*Status: Point in time view as at 20/12/2018.*

*Changes to legislation: Financial Services and Markets Act 2000, CHAPTER 1 is up to date with all changes known to be in force on or before 20 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

- (a) which is derived from, or is otherwise attributable to, the use of the services by others, or
  - (b) which may be adversely affected by the use of the services by persons acting on P's behalf or in a fiduciary capacity in relation to P.
- (3) If a person is providing a service within subsection (1)(a) as trustee, the persons who are, have been or may be beneficiaries of the trust are to be treated as persons who use, have used or may use the service.
- (4) A person who deals with another person (“B”) in the course of B providing a service within subsection (1)(a) is to be treated as using the service.
- (5) A person (“P”) has a “relevant right or interest” in relation to any financial instrument if P has—
- (a) a right or interest which is derived from, or is otherwise attributable to, investment in the instrument by others, or
  - (b) a right or interest which may be adversely affected by the investment in the instrument by persons acting on P's behalf or in a fiduciary capacity in relation to P.

#### Textual Amendments

- F11** Word in s. 1G(1) omitted (E.W.S.) (29.11.2018 for specified purposes) by virtue of [The Financial Services and Markets Act 2000 \(Claims Management Activity\) Order 2018 \(S.I. 2018/1253\)](#), arts. 1(2)(3), **91(2)(a)**
- F12** Word in s. 1G(1)(a)-(e) inserted (E.W.S.) (29.11.2018 for specified purposes) by [The Financial Services and Markets Act 2000 \(Claims Management Activity\) Order 2018 \(S.I. 2018/1253\)](#), arts. 1(2)(3), **91(2)(b)**
- F13** Word in s. 1G(1)(c) omitted (2.4.2013) by virtue of [The Financial Services and Markets Act 2000 \(Regulated Activities\) \(Amendment\) Order 2013 \(S.I. 2013/655\)](#), arts. 1, **3(2)(a)**
- F14** S. 1G(1)(e) and word inserted (2.4.2013) by [The Financial Services and Markets Act 2000 \(Regulated Activities\) \(Amendment\) Order 2013 \(S.I. 2013/655\)](#), arts. 1, **3(2)(b)**
- F15** Word in s. 1G(1)(d) omitted (E.W.S.) (29.11.2018 for specified purposes) by virtue of [The Financial Services and Markets Act 2000 \(Claims Management Activity\) Order 2018 \(S.I. 2018/1253\)](#), arts. 1(2)(3), **91(2)(c)**
- F16** S. 1G(1)(f) and word inserted (E.W.S.) (29.11.2018 for specified purposes) by [The Financial Services and Markets Act 2000 \(Claims Management Activity\) Order 2018 \(S.I. 2018/1253\)](#), arts. 1(2)(3), **91(2)(d)**

#### Modifications etc. (not altering text)

- C5** S. 1G modified (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by [The Financial Services and Markets Act 2000 \(Regulated Activities\) \(Amendment\) \(No.2\) Order 2013 \(S.I. 2013/1881\)](#), arts. 1(2)(6), **65(3)(a)**
- C6** S. 1G modified by S.I. 2001/544, art. 60LA(1)(3) (as inserted (14.2.2014 for specified purposes, 1.4.2014 in so far as not already in force) by [The Financial Services and Markets Act 2000 \(Regulated Activities\) \(Amendment\) Order 2014 \(S.I. 2014/366\)](#), arts. 1(3)(4), **2(33)**)
- C7** S. 1G modified by S.I. 2001/544, art. 60S(1)(3) (as inserted (14.2.2014 for specified purposes, 1.4.2014 in so far as not already in force) by [The Financial Services and Markets Act 2000 \(Regulated Activities\) \(Amendment\) Order 2014 \(S.I. 2014/366\)](#), arts. 1(3)(4), **2(37)**)
- C8** S. 1G modified (E.W.S.) (29.11.2018 for specified purposes) by [The Financial Services and Markets Act 2000 \(Claims Management Activity\) Order 2018 \(S.I. 2018/1253\)](#), arts. 1(2)(3), **89**

*Status: Point in time view as at 20/12/2018.*

*Changes to legislation: Financial Services and Markets Act 2000, CHAPTER 1 is up to date with all changes known to be in force on or before 20 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

## 1H Further interpretative provisions for sections 1B to 1G

(1) The following provisions have effect for the interpretation of sections 1B to 1G.

(2) “Regulated financial services” means services provided—

- (a) by authorised persons in carrying on regulated activities;
- <sup>F17</sup>(b) . . . . .
- (c) by authorised persons in communicating, or approving the communication by others of, invitations to engage in investment activity [<sup>F18</sup>or to engage in claims management activity];
- (d) by authorised persons who are investment firms, or credit institutions, in providing relevant ancillary services;
- (e) by persons acting as appointed representatives;
- (f) by payment service providers in providing payment services;
- (g) by electronic money issuers in issuing electronic money;
- (h) by sponsors to issuers of securities;
- (i) by primary information providers to persons who issue financial instruments.

(3) “Financial crime” includes any offence involving—

- (a) fraud or dishonesty,
- (b) misconduct in, or misuse of information relating to, a financial market,
- (c) handling the proceeds of crime, or
- (d) the financing of terrorism.

(4) “Offence” includes an act or omission which would be an offence if it had taken place in the United Kingdom.

(5) “Issuer”, except in the expression “electronic money issuer”, has the meaning given in section 102A(6).

(6) “Financial instrument” has the meaning given in section 102A(4).

(7) “Securities” has the meaning given in section 102A(2).

[ “Regulated benchmark” means a benchmark, as defined in section 22(6) [<sup>F20</sup>or (6A)] ,  
<sup>F19</sup>(7A) in relation to which any provision made under section 22(1A)(b) [<sup>F21</sup>or (c)] has effect.]

(8) In this section—

<sup>F22</sup>  
...  
<sup>F22</sup>  
...

“credit institution” means—

- (a) a credit institution authorised under the [<sup>F23</sup>capital requirements directive], or
- (b) 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;

“electronic money” has the same meaning as in the Electronic Money Regulations 2011;

“electronic money issuer” means a person who is an electronic money issuer as defined in regulation 2(1) of the Electronic Money Regulations 2011 other than a person falling within paragraph (f), (g) or (j) of the definition;

*Status: Point in time view as at 20/12/2018.*

*Changes to legislation: Financial Services and Markets Act 2000, CHAPTER 1 is up to date with all changes known to be in force on or before 20 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

[<sup>F24</sup>“engage in claims management activity” has the meaning given in section 21;]

“engage in investment activity” has the meaning given in section 21;

“financial instrument” has the meaning given in section 102A(4);

“payment services” has the same meaning as in the Payment Services Regulations [<sup>F25</sup>2017];

“payment service provider” means a person who is a payment service provider as defined in regulation 2(1) of the Payment Services Regulations [<sup>F26</sup>2017] other than a person falling within paragraph [<sup>F27</sup>(i) or (j)] of the definition;

“primary information provider” has the meaning given in section 89P(2);

“relevant ancillary service” means any service of a kind mentioned in Section B of Annex I to the markets in financial instruments directive the provision of which does not involve the carrying on of a regulated activity;

“sponsor” has the meaning given in section 88(2).

#### Textual Amendments

- F17** S. 1H(2)(b) omitted (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by virtue of [The Financial Services and Markets Act 2000 \(Regulated Activities\) \(Amendment\) \(No.2\) Order 2013 \(S.I. 2013/1881\)](#), arts. 1(2)(6), **10(2)(a)** (with art. 11(2))
- F18** Words in s. 1H(2)(c) inserted (E.W.S.) (6.10.2018) by [Financial Guidance and Claims Act 2018 \(c. 10\)](#), **ss. 27(2)(a)**, 37(5); S.I. 2018/1045, reg. 2(a)
- F19** S. 1H(7A) inserted (2.4.2013) by [The Financial Services and Markets Act 2000 \(Regulated Activities\) \(Amendment\) Order 2013 \(S.I. 2013/655\)](#), arts. 1, **3(3)**
- F20** Words in s. 1H(7A) inserted (27.2.2018) by [The Financial Services and Markets Act 2000 \(Benchmarks\) Regulations 2018 \(S.I. 2018/135\)](#), regs. 1(2), **37(a)**
- F21** Words in s. 1H(7A) inserted (27.2.2018) by [The Financial Services and Markets Act 2000 \(Benchmarks\) Regulations 2018 \(S.I. 2018/135\)](#), regs. 1(2), **37(b)**
- F22** Words in s. 1H(8) omitted (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by virtue of [The Financial Services and Markets Act 2000 \(Regulated Activities\) \(Amendment\) \(No.2\) Order 2013 \(S.I. 2013/1881\)](#), arts. 1(2)(6), **10(2)(b)** (with art. 11(2))
- F23** Words in s. 1H(8) substituted (1.1.2014) by [The Capital Requirements Regulations 2013 \(S.I. 2013/3115\)](#), reg. 1(2), **Sch. 2 para. 2**
- F24** Words in s. 1H(8) inserted (E.W.S.) (6.10.2018) by [Financial Guidance and Claims Act 2018 \(c. 10\)](#), **ss. 27(2)(b)**, 37(5); S.I. 2018/1045, reg. 2(a)
- F25** Word in s. 1H(8) substituted (13.1.2018) by [The Payment Services Regulations 2017 \(S.I. 2017/752\)](#), reg. 1(6), **Sch. 8 para. 2(2)(a)** (with reg. 3)
- F26** Word in s. 1H(8) substituted (13.1.2018) by [The Payment Services Regulations 2017 \(S.I. 2017/752\)](#), reg. 1(6), **Sch. 8 para. 2(2)(b)(i)** (with reg. 3)
- F27** Words in s. 1H(8) substituted (13.1.2018) by [The Payment Services Regulations 2017 \(S.I. 2017/752\)](#), reg. 1(6), **Sch. 8 para. 2(2)(b)(ii)** (with reg. 3)

## 11 Meaning of “the UK financial system”

In this Act “the UK financial system” means the financial system operating in the United Kingdom and includes—

- (a) financial markets and exchanges,
  - (b) regulated activities [<sup>F28</sup>(including regulated claims management activities)],
- and



*Status: Point in time view as at 20/12/2018.*

*Changes to legislation: Financial Services and Markets Act 2000, CHAPTER 1 is up to date with all changes known to be in force on or before 20 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

- (c) other activities connected with financial markets and exchanges.

#### Textual Amendments

**F28** Words in s. 1I(b) inserted (E.W.S.) (29.11.2018 for specified purposes) by [The Financial Services and Markets Act 2000 \(Claims Management Activity\) Order 2018 \(S.I. 2018/1253\)](#), arts. 1(2)(3), **91(3)**

#### *Power to amend objectives*

### **1J Power to amend objectives**

The Treasury may by order amend any of the following provisions—

- (a) in section 1E(1), paragraphs (a) and (b),
- (b) section 1G, and
- (c) section 1H(2) and (5) to (8).

#### *[<sup>F29</sup>Recommendations*

#### Textual Amendments

**F29** S. 1JA and cross-heading inserted (6.7.2016) by [Bank of England and Financial Services Act 2016 \(c. 14\)](#), **ss. 19, 41(3)**; S.I. 2016/627, reg. 2(1)(n)

### **1JA Recommendations by Treasury in connection with general duties**

- (1) The Treasury may at any time by notice in writing to the FCA make recommendations to the FCA about aspects of the economic policy of Her Majesty's Government to which the FCA should have regard when considering—
  - (a) how to act in a way which is compatible with its strategic objective,
  - (b) how to advance one or more of its operational objectives,
  - (c) how to discharge the duty in section 1B(4) (duty to promote effective competition in the interests of consumers),
  - (d) the application of the regulatory principles in section 3B, and
  - (e) the matter mentioned in section 1B(5)(b) (importance of taking action to minimise the extent to which it is possible for a business to be used for a purpose connected with financial crime).
- (2) The Treasury must make recommendations under subsection (1) at least once in each Parliament.
- (3) The Treasury must—
  - (a) publish in such manner as they think fit any notice given under subsection (1), and
  - (b) lay a copy of it before Parliament.]

*Status: Point in time view as at 20/12/2018.*

*Changes to legislation: Financial Services and Markets Act 2000, CHAPTER 1 is up to date with all changes known to be in force on or before 20 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

### *Guidance about objectives*

#### **1K Guidance about objectives**

- (1) The general guidance given by the FCA under section 139A must include guidance about how it intends to advance its operational objectives in discharging its general functions in relation to different categories of authorised person or regulated activity.
- (2) Before giving or altering any guidance complying with subsection (1), the FCA must consult the PRA.

### *Supervision, monitoring and enforcement*

#### **1L Supervision, monitoring and enforcement**

- (1) The FCA must maintain arrangements for supervising authorised persons.
- (2) The FCA must maintain arrangements designed to enable it to determine whether persons other than authorised persons are complying—
  - (a) with requirements imposed on them by or under this Act, in cases where the FCA is the appropriate regulator for the purposes of Part 14 (disciplinary measures), <sup>F30</sup> ...
  - <sup>F31</sup> [ with requirements imposed on them by the Alternative Investment Fund Managers Regulations 2013, or]
  - (b) with requirements imposed on them by any qualifying EU provision that is specified, or of a description specified, for the purposes of this subsection by the Treasury by order.
- (3) The FCA must also maintain arrangements for enforcing compliance by persons other than authorised persons with relevant requirements, within the meaning of Part 14, in cases where the FCA is the appropriate regulator for the purposes of any provision of that Part.

#### **Textual Amendments**

- F30** Word in s. 1L(2) omitted (22.7.2013) by virtue of [The Alternative Investment Fund Managers Regulations 2013 \(S.I. 2013/1773\), reg. 1, Sch. 1 para. 3](#)
- F31** S. 1L(2)(aa) inserted (22.7.2013) by [The Alternative Investment Fund Managers Regulations 2013 \(S.I. 2013/1773\), reg. 1, Sch. 1 para. 3](#)

#### **Modifications etc. (not altering text)**

- C9** S. 1L modified by S.I. 2002/1775, reg. 12(2) (as amended) (1.4.2013) by [The Financial Services Act 2012 \(Consequential Amendments and Transitional Provisions\) Order 2013 \(S.I. 2013/472\), Sch. 2 para. 77\(7\)\(a\)\(i\)](#)
- C10** S. 1L(1) applied (with modifications) (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by [The Financial Services Act 2012 \(Consumer Credit\) Order 2013 \(S.I. 2013/1882\), arts. 1\(1\), 3\(2\)\(a\)](#)
- C11** S. 1L(2) applied (with modifications) (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by [The Financial Services Act 2012 \(Consumer Credit\) Order 2013 \(S.I. 2013/1882\), arts. 1\(1\), 3\(2\)\(b\)](#)

*Status: Point in time view as at 20/12/2018.*

*Changes to legislation: Financial Services and Markets Act 2000, CHAPTER 1 is up to date with all changes known to be in force on or before 20 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

### *Arrangements for consulting practitioners and consumers*

#### **1M The FCA's general duty to consult**

The FCA must make and maintain effective arrangements for consulting practitioners and consumers on the extent to which its general policies and practices are consistent with its general duties under section 1B <sup>F32</sup> and its duties under section 333O].

#### **Textual Amendments**

**F32** Words in s. 1M inserted (3.3.2015) by [Pension Schemes Act 2015 \(c. 8\), s. 89\(1\)\(a\), Sch. 3 para. 4](#) (with s. 87)

#### **1N The FCA Practitioner Panel**

- (1) Arrangements under section 1M must include the establishment and maintenance of a panel of persons (to be known as “the FCA Practitioner Panel”) to represent the interests of practitioners.
- (2) The FCA must appoint one of the members of the FCA Practitioner Panel to be its chair.
- (3) The Treasury's approval is required for the appointment or dismissal of the chair.
- (4) The FCA must appoint to the FCA Practitioner Panel such—
  - (a) persons representing authorised persons, and
  - (b) persons representing recognised investment exchanges,as it considers appropriate.
- (5) The FCA may appoint to the FCA Practitioner Panel such other persons as it considers appropriate.

#### **1O The Smaller Business Practitioner Panel**

- (1) Arrangements under section 1M must include the establishment and maintenance of a panel of persons (to be known as “the Smaller Business Practitioner Panel”) to represent the interests of eligible practitioners.
- (2) “Eligible practitioners” means authorised persons of a description specified in a statement maintained by the FCA.
- (3) The FCA must appoint one of the members of the Smaller Business Practitioner Panel to be its chair.
- (4) The Treasury's approval is required for the appointment or dismissal of the chair.
- (5) The FCA must appoint to the Smaller Business Practitioner Panel such—
  - (a) individuals who are eligible practitioners, and
  - (b) persons representing eligible practitioners,as it considers appropriate.
- (6) The FCA may appoint to the Smaller Business Practitioner Panel such other persons as it considers appropriate.

*Status: Point in time view as at 20/12/2018.*

*Changes to legislation: Financial Services and Markets Act 2000, CHAPTER 1 is up to date with all changes known to be in force on or before 20 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

- (7) In making the appointments, the FCA must have regard to the desirability of ensuring the representation of eligible practitioners carrying on a range of regulated activities.
- (8) The FCA may revise the statement maintained under subsection (2).
- (9) The FCA must—
  - (a) give the Treasury a copy of the statement or revised statement without delay, and
  - (b) publish the statement as for the time being in force in such manner as it thinks fit.

## **1P The Markets Practitioner Panel**

- (1) Arrangements under section 1M must include the establishment and maintenance of a panel of persons (to be known as “the Markets Practitioner Panel”) to represent the interests of practitioners who are likely to be affected by the exercise by the FCA of its functions relating to markets, including its functions under Parts 6, 8A and 18.
- (2) The FCA must appoint one of the members of the Markets Practitioner Panel to be its chair.
- (3) The Treasury's approval is required for the appointment or dismissal of the chair.
- (4) The FCA must appoint to the Markets Practitioner Panel such persons to represent the interests of persons within subsection (5) as it considers appropriate.
- (5) The persons within this subsection are—
  - (a) authorised persons,
  - (b) persons who issue financial instruments,
  - (c) sponsors, as defined in section 88(2),
  - (d) recognised investment exchanges, and
  - (e) primary information providers, as defined in section 89P(2).
- (6) The FCA may appoint to the Markets Practitioner Panel such other persons as it considers appropriate.

## **1Q The Consumer Panel**

- (1) Arrangements under section 1M must include the establishment and maintenance of a panel of persons (to be known as “the Consumer Panel”) to represent the interests of consumers.
- (2) The FCA must appoint one of the members of the Consumer Panel to be its chair.
- (3) The Treasury's approval is required for the appointment or dismissal of the chair.
- (4) The FCA may appoint to the Consumer Panel such consumers, or persons representing the interests of consumers, as it considers appropriate.
- (5) The FCA must secure that membership of the Consumer Panel is such as to give a fair degree of representation to those who are using, or are or may be contemplating using, services otherwise than in connection with businesses carried on by them.

[ If it appears to the Consumer Panel that any matter being considered by it is relevant <sup>F33</sup>(5A) to the extent to which the general policies and practices of the PRA are consistent with

*Status: Point in time view as at 20/12/2018.*

*Changes to legislation: Financial Services and Markets Act 2000, CHAPTER 1 is up to date with all changes known to be in force on or before 20 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

the PRA's general duties under sections 2B to 2H, it may communicate to the PRA any views relating to that matter.

- (5B) The PRA may arrange to meet any of the FCA's expenditure on the Consumer Panel which is attributable to the Panel's functions under subsection (5A).]
- (6) Sections 425A and 425B (meaning of “consumers”) apply for the purposes of this section, but the references to consumers in this section do not include consumers who are authorised persons.

#### Textual Amendments

**F33** S. 1Q(5A)(5B) inserted (1.3.2014) by [Financial Services \(Banking Reform\) Act 2013 \(c. 33\)](#), **ss. 132, 148(5)**; S.I. 2014/377, art. 2(1)(a), Sch. Pt. 1

#### Modifications etc. (not altering text)

**C12** S. 1Q modified (26.7.2013 for specified purposes, 1.4.2014 in so far as not already in force) by [The Financial Services and Markets Act 2000 \(Regulated Activities\) \(Amendment\) \(No.2\) Order 2013 \(S.I. 2013/1881\)](#), arts. 1(2)(6), **65(3)(b)**

## 1R Duty to consider representations made by the Panels

- (1) The FCA must consider representations that are made to it in accordance with arrangements made under section 1M.
- (2) The FCA must from time to time publish in such manner as it thinks fit responses to the representations.

### Reviews

## 1S Reviews

- (1) The Treasury may appoint an independent person to conduct a review of the economy, efficiency and effectiveness with which the FCA has used its resources in discharging its functions.
- (2) A review may be limited by the Treasury to such functions of the FCA (however described) as the Treasury may specify in appointing the person to conduct it.
- (3) A review is not to be concerned with the merits of the FCA's general policy or principles in complying with its general duties under section 1B(1) and (4) [<sup>F34</sup>or its duties under section 333O(1) and (2)(a)].
- (4) On completion of a review, the person conducting it must make a written report to the Treasury—
  - (a) setting out the result of the review, and
  - (b) making such recommendations (if any) as the person considers appropriate.
- (5) A copy of the report must be—
  - (a) laid before Parliament, and
  - (b) published in such manner as the Treasury consider appropriate.

**Status:** Point in time view as at 20/12/2018.

**Changes to legislation:** *Financial Services and Markets Act 2000, CHAPTER 1 is up to date with all changes known to be in force on or before 20 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

- (6) Any expenses reasonably incurred in the conduct of the review are to be met by the Treasury out of money provided by Parliament.
- (7) “Independent” means appearing to the Treasury to be independent of the FCA.

**Textual Amendments**

**F34** Words in s. 1S(3) inserted (3.3.2015) by [Pension Schemes Act 2015 \(c. 8\)](#), s. 89(1)(a), **Sch. 3 para. 5** (with s. 87)

**Modifications etc. (not altering text)**

**C13** S. 1S applied (with modifications) (6.4.2018 immediately after 2016 c. 16 (N.I.), s. 8(2) comes into force) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2018 \(S.I. 2018/323\)](#), art. 1, **Sch. 1 para. 2(2)(b)** (with art. 3)

**1T Right to obtain documents and information**

- (1) A person conducting a review under section 1S—
- (a) has a right of access at any reasonable time to all such documents as the person may reasonably require for the purposes of the review, and
  - (b) may require any person holding or accountable for any such document to provide such information and explanation as are reasonably necessary for that purpose.
- (2) Subsection (1) applies only to documents in the custody of or under the control of the FCA.
- (3) An obligation imposed on a person as a result of the exercise of the powers conferred by subsection (1) is enforceable by injunction or, in Scotland, by an order for specific performance under section 45 of the Court of Session Act 1988.]

**Status:**

Point in time view as at 20/12/2018.

**Changes to legislation:**

Financial Services and Markets Act 2000, CHAPTER 1 is up to date with all changes known to be in force on or before 20 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.