



# Financial Services and Markets Act 2000

## 2000 CHAPTER 8

### PART V

#### PERFORMANCE OF REGULATED ACTIVITIES

##### *Prohibition orders*

#### 56 Prohibition orders.

- [<sup>F1</sup>(1) The FCA may make a prohibition order if it appears to it that an individual is not a fit and proper person to perform functions in relation to a regulated activity carried on by—
- (a) an authorised person,
  - (b) a person who is an exempt person in relation to that activity, or
  - (c) a person to whom, as a result of Part 20, the general prohibition does not apply in relation to that activity.
- (1A) The PRA may make a prohibition order if it appears to it that an individual is not a fit and proper person to perform functions in relation to a regulated activity carried on by—
- (a) a PRA-authorised person, or
  - (b) a person who is an exempt person in relation to a PRA-regulated activity carried on by the person.]
- (2) [<sup>F2</sup>A “prohibition order” is an order] prohibiting the individual from performing a specified function, any function falling within a specified description or any function.
- (3) A prohibition order may relate to—
- (a) a specified regulated activity, any regulated activity falling within a specified description or all regulated activities;
  - [<sup>F3</sup>(b) all persons falling within subsection (3A) or a particular paragraph of that subsection or all persons within a specified class of person falling within a particular paragraph of that subsection.]

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- [<sup>F4</sup>(3A) A person falls within this subsection if the person is—
- (a) an authorised person,
  - (b) an exempt person, or
  - (c) a person to whom, as a result of Part 20, the general prohibition does not apply in relation to a regulated activity.]
- (4) An individual who performs or agrees to perform a function in breach of a prohibition order is guilty of an offence and liable on summary conviction to a fine not exceeding level 5 on the standard scale.
- (5) In proceedings for an offence under subsection (4) it is a defence for the accused to show that he took all reasonable precautions and exercised all due diligence to avoid committing the offence.
- (6) [<sup>F5</sup>A person falling within subsection (3A)] must take reasonable care to ensure that no function of his, in relation to the carrying on of a regulated activity, is performed by a person who is prohibited from performing that function by a prohibition order.
- (7) [<sup>F6</sup>The regulator that has made a prohibition order] may, on the application of the individual named in [<sup>F7</sup>the order], vary or revoke it.
- [<sup>F8</sup>(7A) If—
- (a) the FCA proposes to vary or revoke a prohibition order, and
  - (b) as a result of the proposed variation or revocation, an individual—
    - (i) will no longer be prohibited from performing a function of interest to the PRA, or
    - (ii) will be prohibited from performing such a function,
 the FCA must consult the PRA before varying or revoking the order.
- (7B) A function is of interest to the PRA if it is performed in relation to a regulated activity carried on by—
- (a) a PRA-authorised person, or
  - (b) a person who is an exempt person in relation to a PRA-regulated activity carried on by the person.
- (7C) The PRA must consult the FCA before varying or revoking a prohibition order.]
- [<sup>F9</sup>(7D) If—
- (a) the FCA proposes to vary or revoke a prohibition order which makes provision in relation to a recognised body, and
  - (b) the FCA is not the appropriate regulator in relation to recognised bodies of that type,
- the FCA must consult the appropriate regulator.
- (7E) If the PRA proposes to vary or revoke a prohibition order which makes provision in relation to a recognised body, the PRA must consult the appropriate regulator in relation to recognised bodies of that type.]
- <sup>F10</sup>(8) .....
- [<sup>F11</sup>(9) In this section—
- “the appropriate regulator”, in relation to a recognised body, has the meaning given by section 285A;

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“recognised body” has the meaning given by section 313;  
“specified” means specified in the prohibition order.]

#### Textual Amendments

- F1** S. 56(1)(1A) substituted for s. 56(1) (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 13(2), 122(3)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.
- F2** Words in s. 56(2) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 13(3), 122(3)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.
- F3** S. 56(3)(b) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 13(4), 122(3)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.
- F4** S. 56(3A) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 13(5), 122(3)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.
- F5** Words in s. 56(6) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 13(6), 122(3)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.
- F6** Words in s. 56(7) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 13(7)(a), 122(3)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.
- F7** Words in s. 56(7) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 13(7)(b), 122(3)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.
- F8** S. 56(7A)-(7C) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), **ss. 13(8), 122(3)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.
- F9** S. 56(7D)(7E) inserted (29.6.2023 for specified purposes) by Financial Services and Markets Act 2023 (c. 29), s. 86(1)(e), **Sch. 10 para. 3(2)**
- F10** S. 56(8) omitted (1.4.2013) by virtue of Financial Services Act 2012 (c. 21), **ss. 13(9), 122(3)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.
- F11** S. 56(9) substituted (29.6.2023 for specified purposes) by Financial Services and Markets Act 2023 (c. 29), s. 86(1)(e), **Sch. 10 para. 3(3)**

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

- C1** S. 56 amended (*temp.* from 3.9.2001 to 1.12.2001) by S.I. 2001/2659, **arts. 1(2), 3(3)**; S.I. 2001/3538, **art. 2(1)**  
S. 56 modified (*temp.* from 31.10.2001) by S.I. 2001/3374, **arts. 1, 11**  
S. 56 extended (1.12.2001) by S.I. 2001/2636, **arts. 1(2)(b), 79(1)**; S.I. 2001/3538, **art. 2(1)**
- C2** Ss. 56, 60 modified (*temp.*) (8.4.2002) by The Financial Services and Markets Act 2000 (Permission and Applications) (Credit Unions etc.) Order 2002 (S.I. 2002/704), **art. 7**
- C3** Ss. 56-58 applied (with modifications) (31.12.2011) by The Financial Services and Markets Act 2000 (Permissions, Transitional Provisions and Consequential Amendments) (Northern Ireland Credit Unions) Order 2011 (S.I. 2011/2832), **art. 8**
- C4** S. 56(7) extended (1.12.2001) by S.I. 2001/3592, **arts. 1(2), 55(5)** (with art. 23(2))

#### Commencement Information

- I1** S. 56 wholly in force at 1.12.2001; s. 56 not in force at Royal Assent see s. 431(2); s. 56 in force for specified purposes at 3.9.2001 by S.I. 2001/2632, **art. 2(2), Sch. Pt. 2**; s. 56 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**

## 57 Prohibition orders: procedure and right to refer to Tribunal.

- (1) If [<sup>F12</sup>a regulator] proposes to make a prohibition order it must give the individual concerned a warning notice.
- (2) The warning notice must set out the terms of the prohibition.

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(3) If <sup>F13</sup> a regulator] decides to make a prohibition order it must give the individual concerned a decision notice.

(4) The decision notice must—

- (a) name the individual to whom the prohibition order applies;
- (b) set out the terms of the order; and
- (c) be given to the individual named in the order.

(5) A person against whom a decision to make a prohibition order is made may refer the matter to the Tribunal.

<sup>F14</sup>(6) If—

- (a) the FCA proposes to make a prohibition order, and
- (b) as a result of the proposed order, an individual will be prohibited from performing a function of interest to the PRA,

the FCA must consult the PRA before giving a warning notice under this section.

(7) A function is of interest to the PRA if it is performed in relation to a regulated activity carried on by—

- (a) a PRA-authorized person, or
- (b) a person who is an exempt person in relation to a PRA-regulated activity carried on by the person.

(8) The PRA must consult the FCA before giving a warning notice under this section.]

<sup>F15</sup>(9) If—

- (a) the FCA proposes to make a prohibition order which makes provision in relation to a recognised body, and
- (b) the FCA is not the appropriate regulator in relation to recognised bodies of that type,

the FCA must consult the appropriate regulator before giving a warning notice under this section.

(10) If the PRA proposes to make a prohibition order which makes provision in relation to a recognised body, the PRA must consult the appropriate regulator in relation to recognised bodies of that type before giving a warning notice under this section.

(11) In this section—

“the appropriate regulator”, in relation to a recognised body, has the meaning given by section 285A;

“recognised body” has the meaning given by section 313;]

#### Textual Amendments

**F12** Words in s. 57(1) substituted (1.4.2013) by [Financial Services Act 2012 \(c. 21\), ss. 13\(11\), 122\(3\)](#) (with [Sch. 20](#)); [S.I. 2013/423, art. 3, Sch.](#)

**F13** Words in s. 57(3) substituted (1.4.2013) by [Financial Services Act 2012 \(c. 21\), ss. 13\(11\), 122\(3\)](#) (with [Sch. 20](#)); [S.I. 2013/423, art. 3, Sch.](#)

**F14** S. 57(6)-(8) inserted (1.4.2013) by [Financial Services Act 2012 \(c. 21\), ss. 13\(12\), 122\(3\)](#) (with [Sch. 20](#)); [S.I. 2013/423, art. 3, Sch.](#)

**F15** S. 57(9)-(11) inserted (29.6.2023 for specified purposes) by [Financial Services and Markets Act 2023 \(c. 29\), s. 86\(1\)\(e\), Sch. 10 para. 4\(2\)](#)

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

- C5** S. 57 excluded (1.12.2001) by S.I. 2001/3592, **arts. 1(2)**, 110(3) (with art. 23(2))
- C6** Ss. 56-58 applied (with modifications) (31.12.2011) by The Financial Services and Markets Act 2000 (Permissions, Transitional Provisions and Consequential Amendments) (Northern Ireland Credit Unions) Order 2011 (S.I. 2011/2832), **art. 8**
- C7** S. 57 applied (with modifications) (13.7.2016) by The Financial Services and Markets Act 2000 (Transparency of Securities Financing Transactions and of Reuse) Regulations 2016 (S.I. 2016/715), regs. 1(2), **12(1)**
- C8** S. 57(1) extended (1.12.2001) by S.I. 2001/3592, **arts. 1(2)**, 55(1) (with art. 23(2))

#### Commencement Information

- I2** S. 57 wholly in force at 1.12.2001; s. 57 not in force at Royal Assent see s. 431(2); s. 57 in force for specified purposes at 3.9.2001 by S.I. 2001/2632, **art. 2(2)**, **Sch. Pt. 2**; s. 57 in force in so far as not already in force at 1.12.2001 by S.I. 2001/3538, **art. 2(1)**

### 58 Applications relating to prohibitions: procedure and right to refer to Tribunal.

- (1) This section applies to an application for the variation or revocation of a prohibition order.
- (2) If the [<sup>F16</sup>appropriate regulator] decides to grant the application, it must give the applicant written notice of its decision.
- (3) If the [<sup>F16</sup>appropriate regulator] proposes to refuse the application, it must give the applicant a warning notice.
- (4) If the [<sup>F16</sup>appropriate regulator] decides to refuse the application, it must give the applicant a decision notice.
- (5) If the [<sup>F16</sup>appropriate regulator] gives the applicant a decision notice, he may refer the matter to the Tribunal.

[<sup>F17</sup>(6) The appropriate regulator” means the regulator to which the application is made.]

#### Textual Amendments

- F16** Words in s. 58(2)-(5) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 5 para. 2(2)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.
- F17** S. 58(6) inserted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 5 para. 2(3)** (with Sch. 20); S.I. 2013/423, art. 3, Sch.

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

- C9** S. 58 excluded (1.12.2001) by S.I. 2001/3592, **arts. 1(2)**, 110(3) (with art. 23(2))
- C10** Ss. 56-58 applied (with modifications) (31.12.2011) by The Financial Services and Markets Act 2000 (Permissions, Transitional Provisions and Consequential Amendments) (Northern Ireland Credit Unions) Order 2011 (S.I. 2011/2832), **art. 8**
- C11** S. 58 applied (13.7.2016) by The Financial Services and Markets Act 2000 (Transparency of Securities Financing Transactions and of Reuse) Regulations 2016 (S.I. 2016/715), regs. 1(2), **12(2)**

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#### **Commencement Information**

- I3** S. 58 wholly in force at 1.12.2001; s. 58 not in force at Royal Assent see s. 431(2); s. 58 in force for specified purposes at 3.9.2001 by **S.I. 2001/2632, art. 2(2), Sch. Pt. 2**; s. 58 in force in so far as not already in force at 1.12.2001 by **S.I. 2001/3538, art. 2(1)**

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### Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

- Act applied (with modifications) by [S.I. 2023/1347 reg. 8](#)
- Act power to apply conferred (temp. until 15.5.2039) by [2014 c. 21 s. 79\(4\)](#)
- Act power to apply conferred (temp. until 15.5.2039) by [2014 c. 21 s. 81\(10\)](#)

### Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- Pt. 17 Ch. 3B inserted by [2023 c. 29 s. 64\(3\)](#)
- Pt. 20C inserted by [2016 c. 14 s. 30\(3\)](#)
- s. 31(1)(aa) inserted by [2021 c. 22 s. 22\(2\)](#)
- s. 32A inserted by [2021 c. 22 s. 22\(3\)](#)
- s. 32A power to apply (with modifications) conferred by [2021 c. 22 s. 23\(10\)](#)
- s. 36A and cross-heading inserted by [2021 c. 22 s. 22\(4\)](#)
- s. 71J and cross-heading inserted by [2021 c. 22 Sch. 8 para. 4](#)
- s. 86(9A) inserted by [S.I. 2019/707 reg. 8\(9\)](#) (This amendment not applied to legislation.gov.uk. Reg. 8(6)-(10) omitted (6.9.2019) by virtue of S.I. 2019/1234, regs. 1(2), 13(c))
- s. 87A(11) inserted by [S.I. 2019/707 reg. 10\(5\)](#) (This amendment not applied to legislation.gov.uk. Reg. 10(4)(5) omitted (6.9.2019) by virtue of S.I. 2019/1234, regs. 1(2), 15(b))
- s. 124(10)(c)(i) word omitted by [S.I. 2019/310 reg. 5\(11\)\(b\)](#) (This amendment not applied to legislation.gov.uk. Reg. 5(11)(b) omitted immediately before IP completion day by virtue of S.I. 2020/1385, regs. 1(4), 51(2)(e))
- s. 129(7)(a) word inserted by [S.I. 2019/310 reg. 5\(12\)\(a\)\(i\)](#) (This amendment not applied to legislation.gov.uk. Reg. 5(12)(a)(b) omitted immediately before IP completion day by virtue of S.I. 2020/1385, regs. 1(4), 51(2)(f))
- s. 129(7)(c) omitted and word by [S.I. 2019/310 reg. 5\(12\)\(a\)\(ii\)](#) (This amendment not applied to legislation.gov.uk. Reg. 5(12)(a)(b) omitted immediately before IP completion day by virtue of S.I. 2020/1385, regs. 1(4), 51(2)(f))
- s. 214(5A) inserted by [2021 c. 22 Sch. 8 para. 8](#)
- s. 261E(A1) inserted by [2023 c. 29 s. 64\(2\)\(a\)](#)
- s. 367A inserted by [2021 c. 22 Sch. 8 para. 10](#)
- s. 395(13)(h)(i) inserted by [2021 c. 22 Sch. 8 para. 12\(2\)\(c\)](#)
- s. 395(13)(bc)-(be) word inserted by [2021 c. 22 Sch. 8 para. 12\(2\)\(b\)](#)
- s. 395(14) inserted by [2021 c. 22 Sch. 8 para. 12\(3\)](#)
- s. 427A(3) words substituted by [2002 c. 40 Sch. 17 para. 59](#) (This amendment not applied to legislation.gov.uk. The Financial Services and Markets Act 2000 does not contain a section 427A.)
- Sch. 1ZA para. 32(c) and word inserted by [2021 c. 22 Sch. 8 para. 18](#)
- Sch. 2A para. 19(2)(b)(iia) inserted by [2023 c. 29 Sch. 10 para. 19\(a\)](#)
- Sch. 2A2B power to apply (with modifications) conferred by [2021 c. 22 s. 23\(10\)](#)
- Sch. 2A power to apply (with modifications) conferred by [2021 c. 22 s. 23\(10\)](#)
- Sch. 2B inserted by [2021 c. 22 Sch. 7](#)
- Sch. 2B power to apply (with modifications) conferred by [2021 c. 22 s. 23\(10\)](#)
- Sch. 11A para. 5(3) inserted by [S.I. 2019/707 reg. 38\(5\)\(b\)](#) (This amendment not applied to legislation.gov.uk. Reg. 38(2)-(5)(7)(8) omitted (6.9.2019) by virtue of S.I. 2019/1234, regs. 1(2), 20)

- Sch. 17A para. 12 words substituted by [S.I. 2019/662 reg. 13\(1\)](#) (This amendment not applied to legislation.gov.uk. Reg. 13(1) substituted (25.6.2020) by S.I. 2020/646, regs. 1(2)(c), 11(3))