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STATUTORY INSTRUMENTS

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**1992 No. 225**

**The Uncertificated Securities Regulations 1992**

**PART XII**

**ADMISSION AND SUPERVISION OF PARTICIPANTS**

**Refusal of admission, termination of participation and power, to impose restrictions**

**96.**—(1) If it appears to the Operator that any participant is failing, or may be about to fail:

- (a) to meet the requirements of regulation 94(2); or
- (b) to comply with any duties to which he is subject under these Regulations,

or that the protection of investors so requires, the Operator may terminate that person's participation.

(2) If at any time it appears to the Operator that a participant may be unable to perform his or its functions under these Regulations or that circumstances may arise or have arisen which would justify termination of that person's participation under paragraph (1), the Operator may by notice impose such restrictions as appear to it to be appropriate (including restrictions upon its own functions) to avoid that eventuality, including, without prejudice to the generality of the foregoing, a restriction that no action may be taken by that person in pursuance of such functions without the consent of the Operator.

(3) Restrictions may, by notice given in writing or in any other manner, be imposed under the preceding paragraph with immediate effect and without any reasons being given at the time they are imposed; but a restriction which is not imposed by written notice shall, unless confirmed in writing, cease to have effect at the end of the working day next following the day on which it was imposed and, if no reasons are given at the time a restriction is imposed, reasons shall be given in writing not more than 2 working days after the imposition of the restrictions.

The Operator may in the exercise of its discretion publicise the making of a restriction.

(4) It shall be the duty of the person on whom restrictions are imposed to comply with the restrictions.

(5) Section 29 of the 1986 Act shall apply to a refusal to admit, and to termination, as it does to a proposed refusal or withdrawal under that section with the substitution, if relevant functions are delegated to the Operator, of references to the Operator for references to the Secretary of State and (subject to paragraph (3)) sections 69 and 70(2) to (6) of the 1986 Act shall likewise apply to the giving of a notice imposing restrictions under paragraph (2) as they do in relation to prohibitions or requirements under Chapter VI of Part I of that Act.

(6) For the purposes of paragraph (5) the transfer of entitlements from a commercial controller under regulation 14 other than at the request of that controller shall be treated as the imposition of restrictions.

(7) Chapter IX of Part I of the 1986 Act (The Tribunal) shall apply accordingly for the purposes of paragraph (5) with any necessary modifications.