## STATUTORY INSTRUMENTS

# 1995 No. 3275

## The Investment Services Regulations 1995

## PART II

## RECOGNITION IN UK OF EUROPEAN INVESTMENT FIRMS

#### Functions of Director

### Power to prohibit the carrying on of Consumer Credit Act business

**15.**—(1) If it appears to the Director that paragraph (2) below has been or is likely to be contravened as respects a European investment firm, he may impose on the investment firm a prohibition under this regulation, that it to say, a prohibition on carrying on, or purporting to carry on, in the United Kingdom any Consumer Credit Act business which consists of or includes provision of any one or more listed service.

- (2) This paragraph is contravened as respects a European investment firm if—
  - (a) the investment firm or any of the investment firm's employees, agents or associates (whether past or present); or
  - (b) where the investment firm is a body corporate, any controller of the firm or an associate of any such controller,

does any of the things specified in paragraphs (a) to (d) of section 25(2) of the Consumer Credit Act(1).

(3) A prohibition under this regulation may be absolute or may be imposed for a specified period or until the occurrence of a specified event or until specified conditions are complied with; and any period, event or conditions specified in the case of a prohibition may be varied by the Director on the application of the investment firm concerned.

(4) Any prohibition imposed under this regulation may be withdrawn by written notice served by the Director on the investment firm concerned; and any such notice shall take effect on such date as is specified in the notice.

(5) In this regulation "associate" has the same meaning as in section 25(2) of the Consumer Credit Act and "controller" has the meaning given by section 189(1) of that Act.

(6) Schedule 5 to these Regulations (which makes supplemental provision with respect to prohibitions imposed under this regulation and restrictions imposed under regulation 16 below) shall have effect.

### Power to restrict the carrying on of Consumer Credit Act business

**16.**—(1) In this regulation "restriction" means a direction that a European investment firm may not provide in the United Kingdom, otherwise than in accordance with such condition or conditions as may be specified in the direction, any Consumer Credit Act business which—

- (a) consists of or includes the provision of any listed service; and
- (b) is specified in the direction.

(2) Where it appears to the Director that the situation as respects a European investment firm is such that the powers conferred by regulation 15(1) above are exercisable, the Director may, instead of imposing a prohibition, impose such restriction as appears to him desirable.

- (3) Any restriction imposed under this regulation—
  - (a) may be withdrawn; or
  - (b) may be varied with the agreement of the investment firm concerned,

by written notice served by the Director on the investment firm; and any such notice shall take effect on such date as is specified in the notice.

(4) An investment firm which contravenes or fails to comply with a restriction shall be guilty of an offence and liable—

- (a) on conviction on indictment, to a fine;
- (b) on summary conviction, to a fine not exceeding the statutory maximum.

(5) The fact that a restriction has not been complied with (whether or not constituting an offence under paragraph (4) above) shall be a ground for the imposition of a prohibition under regulation 15 above.