



# Financial Services and Markets Act 2000

## 2000 CHAPTER 8

### PART I

#### THE REGULATOR

##### *The regulatory objectives*

### 3 Market confidence.

- (1) The market confidence objective is: maintaining confidence in the financial system.
- (2) “The financial system” means the financial system operating in the United Kingdom and includes—
  - (a) financial markets and exchanges;
  - (b) regulated activities; and
  - (c) other activities connected with financial markets and exchanges.

VALID FROM 08/04/2010

<sup>F1</sup>  
<sup>F13A</sup>

#### **Financial stability**

- (1) The financial stability objective is: contributing to the protection and enhancement of the stability of the UK financial system.
- (2) In considering that objective the Authority must have regard to—
  - (a) the economic and fiscal consequences for the United Kingdom of instability of the UK financial system;
  - (b) the effects (if any) on the growth of the economy of the United Kingdom of anything done for the purpose of meeting that objective; and
  - (c) the impact (if any) on the stability of the UK financial system of events or circumstances outside the United Kingdom (as well as in the United Kingdom).

*Status: Point in time view as at 18/06/2001. This version of this cross heading contains provisions that are not valid for this point in time.*

*Changes to legislation: Financial Services and Markets Act 2000, Cross Heading: The regulatory objectives is up to date with all changes known to be in force on or before 25 June 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)*

(3) The Authority must, consulting the Treasury, determine and review its strategy in relation to the financial stability objective.]]

#### Textual Amendments

F1 S. 3A inserted (8.4.2010) by Financial Services Act 2010 (c. 28), ss. 1(3), 26(1)(a)

#### 4 Public awareness.

- (1) The public awareness objective is: promoting public understanding of the financial system.
- (2) It includes, in particular—
  - (a) promoting awareness of the benefits and risks associated with different kinds of investment or other financial dealing; and
  - (b) the provision of appropriate information and advice.
- (3) “The financial system” has the same meaning as in section 3.

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

C1 S. 4 modified (temp. from 8.4.2010) by Financial Services Act 2010 (c. 28), ss. 24(1), 26(1)(g)(l), Sch. 2 para. 3

#### 5 The protection of consumers.

- (1) The protection of consumers objective is: securing the appropriate degree of protection for consumers.
- (2) In considering what degree of protection may be appropriate, the Authority 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 in relation to different kinds of regulated activity;
  - (c) the needs that consumers may have for advice and accurate information; and
  - (d) the general principle that consumers should take responsibility for their decisions.
- (3) “Consumers” means persons—
  - (a) who are consumers for the purposes of section 138; or
  - (b) who, in relation to regulated activities carried on otherwise than by authorised persons, would be consumers for those purposes if the activities were carried on by authorised persons.

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

C2 S. 5(3) modified (18.6.2001) by S.I. 2001/1821, arts. 1(1), 3(4)

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## **6 The reduction of financial crime.**

- (1) The reduction of financial crime objective is: reducing the extent to which it is possible for a business carried on—
  - (a) by a regulated person, or
  - (b) in contravention of the general prohibition,to be used for a purpose connected with financial crime.
- (2) In considering that objective the Authority must, in particular, have regard to the desirability of—
  - (a) regulated persons being aware of the risk of their businesses being used in connection with the commission of financial crime;
  - (b) regulated persons taking appropriate measures (in relation to their administration and employment practices, the conduct of transactions by them and otherwise) to prevent financial crime, facilitate its detection and monitor its incidence;
  - (c) regulated persons devoting adequate resources to the matters mentioned in paragraph (b).
- (3) “Financial crime” includes any offence involving—
  - (a) fraud or dishonesty;
  - (b) misconduct in, or misuse of information relating to, a financial market; or
  - (c) handling the proceeds of crime.
- (4) “Offence” includes an act or omission which would be an offence if it had taken place in the United Kingdom.
- (5) “Regulated person” means an authorised person, a recognised investment exchange or a recognised clearing house.

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