



# 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.]

*Status: Point in time view as at 13/09/2018.*

*Changes to legislation: Financial Services and Markets Act 2000, Cross Heading: Prohibition orders is up to date with all changes known to be in force on or before 05 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>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>(8) .....
- (9) “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.

*Status: Point in time view as at 13/09/2018.*

*Changes to legislation: Financial Services and Markets Act 2000, Cross Heading: Prohibition orders is up to date with all changes known to be in force on or before 05 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)*

- 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(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.](#)

#### **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\(2\)](#))
- C5** S. 56(8) amended (*temp.* from 3.9.2001 to 1.12.2001) by [S.I. 2001/2659](#), **arts. 1(2)**, 3(4); [S.I. 2001/3538](#), **art. 2(1)**

#### **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>F10</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.
  - (3) If [<sup>F11</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>F12</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.

*Status: Point in time view as at 13/09/2018.*

*Changes to legislation: Financial Services and Markets Act 2000, Cross Heading: Prohibition orders is up to date with all changes known to be in force on or before 05 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) 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.
- (8) The PRA must consult the FCA before giving a warning notice under this section.]

#### Textual Amendments

- F10** 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.](#)
- F11** 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.](#)
- F12** 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.](#)

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

- C6** S. 57 excluded (1.12.2001) by [S.I. 2001/3592, arts. 1\(2\), 110\(3\)](#) (with [art. 23\(2\)](#))
- C7** 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](#)
- C8** 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\(1\)](#)
- C9** 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 [F13appropriate regulator] decides to grant the application, it must give the applicant written notice of its decision.
- (3) If the [F13appropriate regulator] proposes to refuse the application, it must give the applicant a warning notice.
- (4) If the [F13appropriate regulator] decides to refuse the application, it must give the applicant a decision notice.
- (5) If the [F13appropriate regulator] gives the applicant a decision notice, he may refer the matter to the Tribunal.

[F14(6) The appropriate regulator” means the regulator to which the application is made.]

*Status: Point in time view as at 13/09/2018.*

*Changes to legislation: Financial Services and Markets Act 2000, Cross Heading: Prohibition orders is up to date with all changes known to be in force on or before 05 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)*

#### Textual Amendments

- F13** 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.
- F14** 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)

- C10** S. 58 excluded (1.12.2001) by [S.I. 2001/3592](#), **arts. 1(2)**, 110(3) (with art. 23(2))
- C11** 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**
- C12** 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)**

#### 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)**

**Status:**

Point in time view as at 13/09/2018.

**Changes to legislation:**

Financial Services and Markets Act 2000, Cross Heading: Prohibition orders is up to date with all changes known to be in force on or before 05 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.