Chapter 7

Financial penalties and other disciplinary sanctions



Alternatives to sanctions 7.2

7.2.1 The FCA also has measures available to it where it considers it is appropriate to take protective or remedial action. These include:

- (1) where a firm's continuing ability to meet the threshold conditions or where an approved person's or other individual's fitness and propriety are called into question:
 - (a) varying and/or cancelling of permission and the withdrawal of a firm's authorisation (see ■ chapter 8); and
 - (b) the withdrawal of an individual's status as an approved person and/or the prohibition of an individual from performing a specified function in relation to a regulated activity (see chapter 9).
- (1A) where it is desirable to do so in order to advance one or more of its operational objectives, the FCA may vary the approval of an SMF manager (see ■ DEPP 8);
 - (2) where the smooth operation of the market is, or may be, temporarily jeopardised or where protecting investors so requires, the FCA may suspend, with effect from such time as it may determine, the listing of any securities at any time and in such circumstances as it thinks fit (whether or not at the request of the issuer or its sponsor on its behalf):
 - (3) when the FCA is satisfied there are special circumstances which preclude normal regular dealings in any listed securities, it may cancel the listing of any security;
 - (4) where the FCA considers it necessary for the purpose of the exercise by it of functions under the Market Abuse Regulation or any supplementary market abuse legislation (as defined in Part 8 of the Act), the FCA may suspend trading in a financial instrument under section 122I of the Act:
- (4a) [deleted]
- (4b) where the FCA considers it necessary for the purpose of the exercise by it of functions under the Market Abuse Regulation or any supplementary market abuse legislation (as defined in Part 8 of the Act), the FCA may suspend the auctioning of a relevant auctioned product (as defined in section 122IA of the Act) at an auction conducted by a recognised auction platform under section 122IA of the Act:

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- (5) where there are reasonable grounds for suspecting that a provision of Part VI of the Act, a provision contained in the prospectus rules, or any other provision made in accordance with the Prospectus Regulation has been infringed, the FCA may:
 - (a) suspend, restrict or prohibit the offer to the public of transferable securities as set out in section 87K of the *Act*; or
 - (b) suspend, restrict or prohibit admission of transferable securities to trading on a regulated market or a trading facility as set out in sections 87L and 87LA of the *Act*;
- (6) where the FCA considers it necessary for the purposes set out in section 122G of the Act the FCA may, by notice in writing, require an issuer to publish specified information or a specified statement as set out under section 122G of the Act; and
- (7) where the FCA considers it necessary for the purposes set out in section 122H of the Act the FCA may, by notice in writing, require a person to publish corrective information or a corrective statement as set out under section 122H of the Act.
- 7.2.2 Where a *person* who is a *shareholder* has contravened one or more relevant transparency provisions (as defined in section 89NA(11) of the *Act*) in respect of shares in a company admitted to trading on a *regulated market* and the *FCA* considers the breach to be serious, the *FCA* may apply to the Court for an order suspending that person's voting rights as set out in section 89NA of the *Act*.