

Statement of policy with respect to the making of temporary product
intervention rules

Chapter 2

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2.13 Communication, publication and post-implementation review of temporary product intervention rules

- 2.13.1** **G** Before making a *temporary product intervention rule*, the Committee will consider how affected *firms* and *clients* are to be informed of the *rule* in good time.
- 2.13.2** **G** The *FCA* will publish a statement on its website explaining why it is introducing the *rule*. The *FCA* may choose to invite feedback, but this will not amount to a consultation exercise.
- 2.13.3** **G** The *FCA* may choose to review a *temporary product intervention rule* during the term for which the *rule* is in force. Such a review will generally depend on the perceived risk the *rule* seeks to mitigate. These reviews may be informed by market monitoring and feedback from stakeholders, including product *manufacturers*, *distributors* and *clients*.
- 2.13.4** **G** Where the *FCA* perceives potential uncertainty about how the *rule* operates, it may consider publishing *guidance*.
- 2.13.5** **G** Reviews are likely to consider whether a *rule* is functioning as intended, including whether:
- (1) there have been any breaches of the *rule*; or
 - (2) there are any unintended consequences, such as an impact on products that were not intended to be caught by the *rule*; or
 - (3) there is evidence suggesting *firms* are avoiding or seeking to avoid the *rule* rather than complying with it, for instance where new products enter the market or new features are added to existing products that expose *clients* to the same or similar potential detriment; or,
 - (4) new evidence demonstrates that the *rule* is not necessary or detriment is unlikely.

- 2.13.6 **G** As a result of these reviews, where necessary, the *FCA* may:
- (1) revoke a *temporary product intervention rule*; or
 - (2) amend the *rule*, for example where a *rule* specifies certain criteria under which the sale of a product may continue, change these criteria.
- 2.13.7 **G** Subsequent changes to a *temporary product intervention rule* will be communicated by issuing a new statement containing the revised *rule* and the rationale for the changes. Such changes will not extend the lifespan of the *temporary product intervention rule*.
- 2.13.8 **G** However, the *FCA* may consult on a new *rule* to replace the *temporary product intervention rule* from the date on which the *temporary product intervention rule* ceases to have effect. This exercise would be subject to the *FCA*'s standard *rule-making* procedure including market failure analysis, cost benefit analysis and consultation to which all stakeholders, including *manufacturers, distributors* and *clients* would be invited to reply.