

## Chapter 2

# The FCA's approach to enforcement



2.10A FCA-recognised industry codes

2.10A.1 The *FCA* believes that industry codes of conduct have an important part to play in a principles-based regulatory environment. Individuals may choose to follow, and *firms* have regard to, such codes as a means of seeking to meet the *FCA*’s requirements to conform to proper standards of market conduct. This will be true especially where industry codes of conduct have been ‘recognised’ by the *FCA*. ■ [DEPP 6.2.1G\(4A\)](#) confirms that behaviour that is in line with an *FCA-recognised industry code* will tend to indicate compliance, in carrying out *unregulated activities*, with applicable *FCA rules* that reference ‘proper standards of market conduct’.

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2.10A.2 Equally, however, *FCA-recognised industry codes*, and codes that have not been recognised, are not mandatory. The *FCA* does not regard adherence to industry or market codes as the only means of complying with applicable *FCA rules*. Rather, they may provide an articulation of proper standards of market conduct which meets the *FCA*’s requirements.