

## Chapter 7

# Financial penalties and other disciplinary sanctions

## 7.2 Alternatives to sanctions

### 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*;

- (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*.