

Chapter 7

Financial penalties and other disciplinary sanctions



7.5 Payment of financial penalties

- 7.5.1 Financial penalties must be paid within the period (usually 14 days) that is stated on the *FCA's final notice*. The *FCA's* policy in relation to reducing a penalty because its payment may cause a *person* serious financial hardship is set out in ■ DEPP 6.5D.
- 7.5.2 [deleted]
- 7.5.3 Chapter 6 of the General Provisions module of the *FCA Handbook (GEN)* contains *rules* prohibiting a *firm* or *member* from entering into, arranging, claiming on or making a payment under a *contract of insurance* that is intended to have, or has, the effect of indemnifying any *person* against a financial penalty.
- 7.5.4 Chapter 6 of the General Provisions of the *FCA Handbook (GEN)* also contains a *rule* prohibiting a *firm*, except a *sole trader*, from paying a financial penalty imposed by the *FCA* on a present or former *employee*, *director* or *partner* of the *firm* or of an *affiliated company*.
- 7.5.5 *Rule* ■ 1.5.33 in the *FCA's Prudential Sourcebook for Insurers (INSPRU)* prohibits a *long- term insurer* (including a *firm* qualifying for *authorisation* under *Schedule 3* or *4* to the *Act*), which is not a mutual, from paying a financial penalty from a long-term insurance fund.