

Chapter 9

Prohibition Orders and withdrawal of approval



9.8 The effect of the FCA's decision to make a prohibition order

9.8.1

The *FCA* may consider taking disciplinary action against a *firm* that has not taken reasonable care, as required by section 56(6) of the *Act*, to ensure that none of that *firm's* functions in relation to carrying on of a *regulated activity* is performed by a *person* who is prohibited from performing the function by a *prohibition order*. The *FCA* considers that a search by a *firm* of the *Financial Services Register* is an essential part of the statutory duty to take reasonable care to ensure that *firms* do not employ or otherwise permit prohibited individuals to perform functions in relation to *regulated activities*. In addition, the *FCA* expects *firms* to check the *Financial Services Register* when making applications for approval under section 59 of the *Act*. More generally, if a *firm's* search of the *Financial Services Register* reveals no record of a prohibition order, the *FCA* will consider taking action for breach of section 56(6) only where the *firm* had access to other information indicating that a prohibition order had been made.