

Chapter 1

FCA approval and emergencies

1.3 Emergency

- 1.3.1** **G** The *FCA* recognises that there may be occasions when, because of a particular emergency, a *person* (generally a *firm*, but in certain circumstances, for example in relation to *price stabilising rules*, an *unauthorised person*) may be unable to comply with a particular *rule* in the *Handbook*. The purpose of **GEN 1.3.2 R** is to provide appropriate relief from the consequences of contravention of such a *rule* in those circumstances.
- 1.3.2** **R**
- (1) If any emergency arises which:
 - (a) makes it impracticable for a *person* to comply with a particular *rule* in the *Handbook*;
 - (b) could not have been avoided by the *person* taking all reasonable steps; and
 - (c) is outside the control of the *person*, its *associates* and agents (and of its and their *employees*);
 the *person* will not be in contravention of that *rule* to the extent that, in consequence of the emergency, compliance with that *rule* is impracticable.
 - (2) Paragraph (1) applies only for so long as:
 - (a) the consequences of the emergency continue; and
 - (b) the *person* can demonstrate that it is taking all practicable steps to deal with those consequences, to comply with the *rule*, and to mitigate losses and potential losses to its *clients* (if any).
 - (3) The *person* must notify the *FCA* as soon as practicable of the emergency and of the steps it is taking and proposes to take to deal with the consequences of the emergency.
 - (4) A notification under (3) must be given to or addressed and delivered in accordance with **SUP 15.7** (Form and method of notification) (whether or not the *person* is a *firm*). If the *person* is not a *firm*, the notification must be given to or addressed for the attention of: Contact Centre, The Financial Conduct Authority, 12 Endeavour Square, London, E20 1JN (tel: 0300 500 0597).
- 1.3.2A** **R**

- 1.3.3 **G** A *firm* should continue to keep the *FCA* informed of the steps it is taking under ■ GEN 1.3.2 R (3), in order to comply with its obligations under *Principle 11* (Relations with regulators).
- 1.3.4 **G** In the context of ■ GEN 1.3.2 R, an action is not practicable if it involves a *person* going to unreasonable lengths.
- 1.3.5 **G** ■ GEN 1.3.2 R operates on the *FCA's rules*. It does not affect the *FCA's* powers to take action against a *firm* in an emergency, based on contravention of other requirements and standards under the *regulatory system*. For example, the *FCA* may exercise its *own-initiative power* in appropriate cases to vary a *firm's Part 4A permission* based on a failure or potential failure to satisfy the *threshold conditions* (see ■ SUP 7 (Individual requirements) and ■ EG 8 (Variation and cancellation of permission and imposition of requirements on the *FCA's* own initiative)).