

Chapter 4

Supervision

4.6 The section 296 power to give directions

- 4.6.1

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Under section 296 of the Act (FCA's power to give directions) and (for RAPs) under regulation 3 of the RAP regulations, the FCA has the power to give directions to a recognised body to take specified steps in order to secure its compliance with the recognised body requirements. In the case of a UK RIE (including one which operates a RAP) those steps may include granting the FCA access to the UK RIE's premises for the purposes of inspecting those premises or any documents on the premises and the suspension of the carrying on of any regulated activity by the UK RIE for the period specified in the direction.
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- 4.6.3

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The FCA is likely to exercise its power under section 296 of the Act or regulation 3 of the RAP regulations if it considers that:

(1) there has been, or was likely to be, a failure to satisfy one or more of the recognised body requirements which has serious consequences;

(2) compliance with the direction would ensure that one or more of the recognised body requirements is satisfied; and

(3) the recognised body is capable of complying with the direction.
- 4.6.4

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Under section 298(7) of the Act (Directions and revocation: procedure), the FCA need not follow the consultation procedure set out in the rest of section 298 (see REC 4.8) or may cut short that procedure, if it considers it reasonably necessary to do so. For RAPs, the FCA need not follow the procedure set out in regulation 5 of the RAP regulations or may cut short the procedure, if it considers it essential to do so.