

Recognised Investment Exchanges

Chapter 4

Supervision

4.6 The section 296 power to give directions

- 4.6.1** **G** 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.
- 4.6.2** **G** [deleted]
- 4.6.3** **G** 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** **G** 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.