

**Recognised Investment Exchanges**

## Chapter 4

# Supervision

## 4.6A The section 192C power to direct qualifying parent undertakings

### 4.6A.1

**G**

- (1) Under section 192C of the *Act* (Power to direct qualifying parent undertaking), the *FCA* has the power to give a direction to the qualifying parent undertaking of a *UK RIE* if the general condition is satisfied.
- (2) For the purposes of section 192C of the *Act*, a parent undertaking of a *UK RIE* is a 'qualifying parent undertaking' if:
  - (a) the parent undertaking is a body corporate which is incorporated in the United Kingdom, or has a place of business in the United Kingdom;
  - (b) the parent undertaking is not itself an *authorised person*, a *RIE* or a *RCH*; and
  - (c) the parent undertaking is a financial institution of a kind prescribed by the Treasury by order.
- (3) For the purposes of section 192C of the *Act*, the general condition is that the *FCA* considers that it is desirable to give the direction in order to advance one or more of its operational objectives.
- (4) In exercising or deciding whether to exercise its power under section 192(c) of the *Act*, the *FCA* will have regard to any statement of policy published under this section and for the time being in force.

**[Note:1.** Treasury has issued a draft order for consultation prescribing the types of financial institutions which are qualifying parent undertakings. See the *draft Financial Services and Markets Act 2000 (Prescribed Financial Institutions) Order 201\**, as published in the *Treasury consultation paper titled 'A new approach to financial regulation: draft secondary legislation'*: [http://www.hm-treasury.gov.uk/d/condoc\\_fin\\_regulation\\_draft\\_secondary\\_leg.pdf](http://www.hm-treasury.gov.uk/d/condoc_fin_regulation_draft_secondary_leg.pdf) .

2. The *FCA* has issued a statement of policy with respect to the giving of directions under section 192C. <http://www.fca.org.uk/news/firms/fca-statement-of-policy-on-the-use-of-the-power-to-direct-qualifying-parent-undertakings> ]