

**ENFORCEMENT MANUAL (CANCELLATION OF PERMISSION)
INSTRUMENT 2002**

Powers exercised

- A. The Financial Services Authority makes this instrument in the exercise of the power in section 157(1) of the Financial Services and Markets Act 2000 (Guidance).

Commencement

- B. This instrument comes into force on 1 December 2002.

Amendments to the Enforcement manual

- C. The Enforcement manual is amended in accordance with the Annex to this instrument.

Citation

- D. This instrument may be cited as the Enforcement Manual (Cancellation of Permission) Instrument 2002.

By order of the Board
21 November 2002

Annex

Amendments to the Enforcement manual

In this Annex, underlining indicates new text and striking through indicates deleted text.

5.3.2G Section 45 of the *Act* empowers the *FSA* to vary, or alternatively to cancel, a *firm's Part IV permission*. The general statutory grounds for exercising those powers are the same. They are set out in section 45(1) Cases A to C (see *ENF* 3.3.2G). The *FSA* also has a duty, once it is satisfied that it is no longer necessary to keep the *permission* in force, to cancel a *firm's Part IV permission* when it has varied a *firm's Part IV permission* to such an extent that there are no longer any *regulated activities* for which the *firm* has a *Part IV permission*.

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5.5.5G Where the situation appears so urgent and serious that the *firm* should immediately cease to carry on all *regulated activities*, the *FSA* may first vary the *firm's Part IV permission* so that there is no longer any *regulated activity* for which the *firm* has a *Part IV permission*. If it does this, the *FSA* will then have a duty to cancel the *firm's Part IV permission* – once it is satisfied that it is no longer necessary to keep the *Part IV permission* in force (see *ENF* 5.3.2G ~~5.3.3G(2)~~).

5.5.6G However, where the *FSA* has cancelled a *firm's Part IV permission*, it is required by section 33 of the *Act* (Withdrawal of authorisation by the Authority) to go on to give a direction withdrawing the *firm's authorisation* (see ~~*ENF* 5.3.2G~~). Accordingly, the *FSA* may decide to keep a *firm's Part IV permission* in force to maintain the *firm's* status as an *authorised person* and enable it (the *FSA*) to monitor the *firm's* activities. For example, where the *FSA* needs to supervise an orderly winding down of the *firm's* regulated business (see *SUP* 6.4.22G (When will the *FSA* grant an application for cancellation of permission)). Alternatively, the *FSA* may decide to keep a *firm's Part IV permission* in force to maintain the *firm's* status as an *authorised person* to use administrative enforcement powers against the *firm*. For ~~example~~ example, where the *FSA* proposes to impose a financial penalty on the *firm* under section 206 of the *Act* (Financial penalties) (see *ENF* 13).