

Bank of England

Appendix D: FCA's Amendment of the Decision Procedure and Penalties Manual

April 2024

DECISION PROCEDURE AND PENALTIES MANUAL (DIGITAL SECURITIES SANDBOX) INSTRUMENT 2024

Powers exercised

- A. The Financial Conduct Authority makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”) as applied by regulation 6 (Sandbox arrangements – requirements related to relevant enactments and overall limitation) of, and Part 3 of the Schedule to, the Financial Services and Markets Act 2023 (Digital Securities Sandbox) Regulations 2023:
- (1) section 210(1) (Statements of policy); and
 - (2) section 395 (The FCA’s and PRA’s procedures);

Commencement

- B. This instrument comes into force on [*date*].

Amendments to the Handbook

- C. The Decision Procedure and Penalties manual (DEPP) is amended in accordance with the Appendix to this instrument.

Citation

- D. This instrument may be cited as the Decision Procedure and Penalties Manual (Digital Securities Sandbox) Instrument 2024.

By order of the Board

[*date*]

Appendix D

Amendments to the Decision Procedure and Penalties manual (DEPP)

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

2 Statutory notices and the allocation of decision making

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2 Warning notices and decision notices under the Act and certain other enactments

Appendix

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SFTR (EU Exit) Regulations	Description	Handbook reference	Decision maker
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<u>The Financial Services and Markets Act 2023 (Digital Securities Sandbox) Regulations 2023</u>	<u>Description</u>	<u>Handbook reference</u>	<u>Decision maker</u>
<u>Section 207(1) and 208(1) of the Act as applied by Part 3 of the Schedule to the Regulations</u>	<u>when the FCA is proposing or deciding to publish a statement or impose a financial penalty in respect of a sandbox entrant or a person participating under regulation 3(4) (under section 205 or 206 of the Act as applied by Part 3 of the Schedule to the Regulations)*</u>		<u>RDC</u>

Sch 3 Fees and other required payments

Sch 3.2 G

The <i>FCA</i> 's power to impose financial penalties is contained in:
...
the <i>Proxy Advisors (Shareholders' Rights) Regulations</i>
<u>the Financial Services and Markets Act 2023 (Digital Securities Sandbox) Regulations 2023</u>

Sch 4 Powers Exercised

Sch 4.1 G

The following powers and related provisions in or under the <i>Act</i> have been exercised by the <i>FCA</i> to make the statements of policy in <i>DEPP</i> :
Section 210(1) (Statements of policy) (including as applied by regulation 86(6) of the <i>Payment Services Regulations</i> , by article 23(4) of the <i>MCD Order</i> , regulation 43 of the <i>Small and Medium Sized Business (Credit Information) Regulations</i> , by regulation 36(6) of the <i>Payment Accounts Regulations</i> and by , regulation 40 of the <i>Small and Medium Sized Business (Finance Platforms) Regulations</i> <u>and by Part 3 of the Schedule to the Financial Services and Markets Act 2023 (Digital Securities Sandbox) Regulations 2023</u>)
Section 395 (The Authority's procedures) (including as applied by paragraph 7 of Schedule 5 to the <i>Payment Services Regulations</i> , by article 24(2) of the <i>MCD Order</i> , regulation 44 of the <i>Small and Medium Sized Business (Credit Information) Regulations</i> , by paragraph 4 of Schedule 7 of the <i>Payment Accounts Regulations</i> and by , regulation 41 of the <i>Small and Medium Sized Business (Finance Platforms) Regulations</i> <u>and by Part 3 of the Schedule to the Financial Services and Markets Act 2023 (Digital Securities Sandbox) Regulations 2023</u>)