



INVESTMENT BUSINESS ACTS 1991-1993

Investment Business (Civil Penalties) Regulations 2006

Approved by Tynwald 17th October 2006

Coming into operation 1st November 2006

In exercise of the powers conferred on the Financial Supervision Commission by section 6A of the Investment Business Act 1991^(a), and of all other enabling powers, and after consulting with such persons as it thinks appropriate, the following Regulations are hereby made:-

Citation and commencement

1. These Regulations may be cited as the Investment Business (Civil Penalties) Regulations 2006 and shall come into operation on 1st November 2006.

Interpretation

2. In these Regulations:
 - (1) "the Act" means the Investment Business Act 1991;
 - (2) "the Commission" means the Financial Supervision Commission;
 - (3) "licenceholder" means holder of an investment business licence;
 - (4) "exempt person" means a person exempted from the requirement to hold a licence by regulations made under section 2(3) of the Act;
 - (5) "return" means any document required to be submitted under:
 - (a) paragraphs 20, 21 & 22 of the Financial Supervision Commission (Financial Resources and Compliance Reporting) Regulatory Code 2002^(b); or
 - (b) a direction or licence condition imposed by the Commission;
 - (6) "direction" means a direction made by the Commission under section 9 or 9A of the Act;
 - (7) "licence condition" means a condition imposed by the Commission under the Act in respect of an investment business licence;
 - (8) "specified period" means the period during which a return is required to be submitted or otherwise provided to the Commission;
 - (9) a return is treated as "submitted" or "provided" once it is received by the Commission duly completed;
 - (10) "business day" means a day other than a Saturday or Sunday or a day which is a bank holiday under the Bank Holidays Act 1989^(c).

^(a) 1991 c.18

^(b) SD 345/02

^(c) 1989 c.5

Application

3. These Regulations apply to all holders of licences issued under Section 3 of the Act, and to all exempt persons who are required to submit return(s).

Penalties

4. The Commission will require a licenceholder, or an exempt person who is required to submit a return (as the case may be), to pay a penalty for each contravention of a requirement to submit or otherwise provide a return within a specified period, unless it appears to the Commission that there are exceptional circumstances.
5. The penalty payable shall be as follows:

PENALTY	Preceding return submitted on time	Preceding return submitted late	Both preceding two returns submitted late
Return submitted/ provided 1 to 20 business days after specified period	£100	£200	£300
Return submitted/ provided more than 20 business days after specified period	£1000	£1000	£1000

6. In the event of exceptional circumstances the Commission may require a licenceholder, or an exempt person who is required to submit a return (as the case may be), to pay a lesser penalty or may not require a licenceholder to pay a penalty.
7. Any penalty due shall be paid to the Commission within 21 business days of the penalty being imposed.

Made this 13th day of September 2006.

A. Barber Commissioner

J R Aspden Chief Executive

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations specify the penalty to be paid by:

- (a) a person licensed to carry on investment business; or
(b) a person exempted from the requirement to hold such a licence but who is required to submit returns;
who has not submitted a return within the specified period.