

## PART I

(b) misconduct in, or misuse of information relating to, a financial market; or

(c) handling the proceeds of crime.

(4) "Offence" includes an act or omission which would be an offence if it had taken place in the United Kingdom.

(5) "Regulated person" means an authorised person, a recognised investment exchange or a recognised clearing house.

*Corporate governance*

Duty of Authority to follow principles of good governance.

7. In managing its affairs, the Authority must have regard to such generally accepted principles of good corporate governance as it is reasonable to regard as applicable to it.

*Arrangements for consulting practitioners and consumers*

The Authority's general duty to consult.

8. The Authority must make and maintain effective arrangements for consulting practitioners and consumers on the extent to which its general policies and practices are consistent with its general duties under section 2.

The Practitioner Panel.

9.—(1) Arrangements under section 8 must include the establishment and maintenance of a panel of persons (to be known as "the Practitioner Panel") to represent the interests of practitioners.

(2) The Authority must appoint one of the members of the Practitioner Panel to be its chairman.

(3) The Treasury's approval is required for the appointment or dismissal of the chairman.

(4) The Authority must have regard to any representations made to it by the Practitioner Panel.

(5) The Authority must appoint to the Practitioner Panel such—

(a) individuals who are authorised persons,

(b) persons representing authorised persons,

(c) persons representing recognised investment exchanges, and

(d) persons representing recognised clearing houses,

as it considers appropriate.

The Consumer Panel.

10.—(1) Arrangements under section 8 must include the establishment and maintenance of a panel of persons (to be known as "the Consumer Panel") to represent the interests of consumers.

(2) The Authority must appoint one of the members of the Consumer Panel to be its chairman.

(3) The Treasury's approval is required for the appointment or dismissal of the chairman.

(4) The Authority must have regard to any representations made to it by the Consumer Panel.

(5) The Authority must appoint to the Consumer Panel such consumers, or persons representing the interests of consumers, as it considers appropriate.

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(6) The Authority must secure that the membership of the Consumer Panel is such as to give a fair degree of representation to those who are using, or are or may be contemplating using, services otherwise than in connection with businesses carried on by them.

- (7) "Consumers" means persons, other than authorised persons—
- (a) who are consumers for the purposes of section 138; or
  - (b) who, in relation to regulated activities carried on otherwise than by authorised persons, would be consumers for those purposes if the activities were carried on by authorised persons.

11.—(1) This section applies to a representation made, in accordance with arrangements made under section 8, by the Practitioner Panel or by the Consumer Panel. Duty to consider representations by the Panels.

(2) The Authority must consider the representation.

(3) If the Authority disagrees with a view expressed, or proposal made, in the representation, it must give the Panel a statement in writing of its reasons for disagreeing.

*Reviews*

12.—(1) The Treasury may appoint an independent person to conduct a review of the economy, efficiency and effectiveness with which the Authority has used its resources in discharging its functions. Reviews.

(2) A review may be limited by the Treasury to such functions of the Authority (however described) as the Treasury may specify in appointing the person to conduct it.

(3) A review is not to be concerned with the merits of the Authority's general policy or principles in pursuing regulatory objectives or in exercising functions under Part VI.

(4) On completion of a review, the person conducting it must make a written report to the Treasury—

- (a) setting out the result of the review; and
- (b) making such recommendations (if any) as he considers appropriate.

(5) A copy of the report must be—

- (a) laid before each House of Parliament; and
- (b) published in such manner as the Treasury consider appropriate.

(6) Any expenses reasonably incurred in the conduct of a review are to be met by the Treasury out of money provided by Parliament.

(7) "Independent" means appearing to the Treasury to be independent of the Authority.

13.—(1) A person conducting a review under section 12—

- (a) has a right of access at any reasonable time to all such documents as he may reasonably require for purposes of the review; and
- (b) may require any person holding or accountable for any such document to provide such information and explanation as are reasonably necessary for that purpose.

Right to obtain documents and information.