



House of Commons

Tuesday 26 February 2019

PUBLIC BILL COMMITTEE

New Amendments handed in are marked thus ★

☆ *Amendments which will comply with the required notice period at their next appearance*

FINANCIAL SERVICES (IMPLEMENTATION OF LEGISLATION) BILL [*LORDS*]

NOTE

This document includes all amendments tabled to date and includes any withdrawn amendments at the end. The amendments have been arranged in the order in which they relate to the Bill.

RESOLUTION OF THE PROGRAMMING SUB-COMMITTEE

The Programming Sub-Committee appointed by the Speaker in respect of the Bill agreed the following Resolution at its meeting on Monday 25 February (Standing Order 83C):

That—

- (1) the Committee shall (in addition to its first meeting at 9.25 am on Tuesday 26 February) meet—
 - (a) at 2.00 pm on Tuesday 26 February;
 - (b) at 11.30 am and 2.00 pm on Thursday 28 February;
- (2) the proceedings shall (so far as not previously concluded) be brought to a conclusion at 5.00 pm on Thursday 28 February.

John Glen has given notice of his intention to move a motion in the terms of the Resolution of the Programming Sub-Committee [Standing Order No. 83C].

Financial Services (Implementation of Legislation) Bill [Lords], continued

John Glen

That, subject to the discretion of the Chair, any written evidence received by the Committee shall be reported to the House for publication.

Alison Thewliss
Angela Crawley

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Clause 1, page 1, line 2, leave out “may” and insert “, in respect of a piece of specified EU financial services legislation, within six months of that legislation being implemented in the European Union, or immediately if more than six months has passed before this section coming into force, must”

Member’s explanatory statement

This amendment would require regulations to be made to apply specified EU financial services legislation in domestic law within six months of that legislation being implemented in the European Union.

Alison Thewliss
Angela Crawley

3

Clause 1, page 1, line 3, leave out “, or similar, ”

Member’s explanatory statement

This amendment would only allow for corresponding provision to EU financial services legislation, not similar provision, to be made.

Alison Thewliss
Angela Crawley

4

Clause 1, page 1, line 9, leave out “the Treasury consider appropriate” and insert “the Treasury and the House of Commons consider appropriate as defined in subparagraphs (i) and (ii)—

- (i) any proposed adjustments must be approved by a motion of the House of Commons prior to regulations being laid in draft in accordance with subsection (8)(a), and
- (ii) if the House of Commons agrees a motion that certain adjustments be made, the Treasury shall consider that to be an expression of agreement by the House that those adjustments are appropriate.”

Member’s explanatory statement

This amendment would only permit adjustments to be made that have been pre-approved by the House of Commons.

Jonathan Reynolds
Anneliese Dodds

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Clause 1, page 1, line 14, leave out from “(g)” to “does” in line 16.

Member’s explanatory statement

This amendment would amend the definition of “adjustments” to restore its natural meaning, while retaining the prohibition on major changes.

Financial Services (Implementation of Legislation) Bill [Lords], continued

Jonathan Reynolds
Anneliese Dodds

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Clause 1, page 1, line 17, leave out “major” and insert “material”.

Member’s explanatory statement

This amendment would prevent material changes to EU financial services legislation being made through adjustments under subsection (2).

Jonathan Reynolds
Anneliese Dodds

13

Clause 1, page 1, line 18, at end insert—

“(2A) But “adjustments” may not include any changes that, in the Treasury’s view, lighten or remove the regulatory burden in comparison to the legislation as it would have operated had the United Kingdom not withdrawn from the EU.”

Member’s explanatory statement

This amendment would prevent adjustments to EU legislation under this Bill from lightening or removing regulatory burdens on financial services.

Alison Thewliss
Angela Crawley

5

Clause 1, page 2, line 10, leave out subsection (4)

Member’s explanatory statement

This amendment would disapply section 8(5) and 8(7) of the European Union (Withdrawal) Act, which allow regulations to do anything, with some exceptions, that can be done by an Act of Parliament.

Jonathan Reynolds
Anneliese Dodds

14

Clause 1, page 2, line 12, at end insert “as though section 8(5) of that Act read “Regulations under subsection (1) may make any provision that could be made by an Act of Parliament apart from amending any primary legislation.””

Member’s explanatory statement

This amendment would prevent regulations under this Act amending any primary legislation.

Jonathan Reynolds
Anneliese Dodds

15

Clause 1, page 2, line 35, at end insert—

“(c) that draft was laid more than 1 month after the Treasury conducted a public consultation that was promoted to trade unions, regulatory institutions, service users, and any other stakeholders the Chancellor of the Exchequer considers appropriate.”

Member’s explanatory statement

This amendment obliges HM Treasury to undertake wide-ranging consultation on their proposed implementation of EU legislation, to ensure appropriate public scrutiny on any regulatory divergence.

Financial Services (Implementation of Legislation) Bill [Lords], continued

Alison Thewliss
Angela Crawley

Clause 1, page 2, line 37, leave out “4” and insert “8”

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Alison Thewliss
Angela Crawley

Clause 1, page 2, line 38, leave out “6” and insert “3”

7

Alison Thewliss
Angela Crawley

Clause 1, page 2, line 40, leave out “6” and insert “3”

8

Alison Thewliss
Angela Crawley

Clause 1, page 2, line 42, leave out “1 month” and insert “2 weeks”

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Alison Thewliss
Angela Crawley

Clause 1, page 3, line 7, at end insert—

“(d) making an assessment of the economic impact of any adjustments made by the regulations in reliance on subsection (1)(b) to the specified EU financial services legislation to which the regulations relate.”

Member’s explanatory statement

This amendment would require, in each reporting period, an assessment to be made of any adjustments made in reliance on subsection (1)(b).

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John Glen

Clause 2, page 3, line 42, leave out subsection (4)

Member’s explanatory statement

This amendment removes the privilege amendment inserted by the Lords.

1

Jonathan Reynolds
Anneliese Dodds

To move the following Clause—

NC1

“Draft consolidated financial services legislation

- (1) The Treasury may collate in a single document (the “draft consolidated financial services legislation document”), with the guidance of the Chancellor of the Exchequer and the support of the Treasury Committee of the House of Commons,

Financial Services (Implementation of Legislation) Bill [Lords], continued

measures proposed to be taken by the Treasury to make provision corresponding, or similar, to—

- (a) the provisions, or any of the provisions, of any specified EU financial services legislation, or
 - (b) any provision that might be made by a member State for the purpose of implementing any provision of specified EU financial services legislation.
- (2) The measures proposed in the draft consolidated financial services legislation document may include any adjustments the Treasury considers appropriate, and explanations of why those adjustments are necessary.
- (3) The Treasury must, as part of the draft consolidated financial services legislation document, identify what regulatory institution has responsibility for specified EU financial services legislation, why that institution has been identified, and what resourcing is being supplied to support that institution in discharging its functions.
- (4) In preparing the document, the Chancellor of the Exchequer must consult all relevant parties on the draft consolidated financial services legislation, including trade unions, appropriate regulatory institutions, and service users, and any other stakeholders the Chancellor considers appropriate.
- (5) The Chancellor of the Exchequer must lay the document before the House of Commons.
- (6) With 30 days of the document being laid before the House of Commons, the Chancellor of the Exchequer must move a motion in the House of Commons that the House approves the provisions of the draft consolidated financial services document.
- (7) Within 30 days of the motion in subsection (6) being moved, the Chancellor of the Exchequer must make a statement to the House of Commons indicating how Her Majesty's Government intends to apply the opinion of the House as expressed in the motion being agreed to, amended, or not agreed to.
- (8) "Specified EU financial services legislation" means—
 - (a) Articles 6 and 7 of the Central Securities Depositories Regulation,
 - (b) the Delegated Cash Penalties Regulation,
 - (c) Articles 37 and 38(2) of the Markets in Financial Instruments Regulation,
 - (d) the provisions of the Prospectus Regulation that apply from 21 July 2019 (see Article 49(2) of that regulation),
 - (e) any delegated acts under the Prospectus Regulation, other than technical standards, that are adopted by the European Commission before 21 July 2019,
 - (f) Article 4(1) of the Securities Financing Transactions Regulation, or
 - (g) any EU Directive, or EU Regulation, adopted before, on or after exit day as a result of any of the proposals listed in the Schedule to this Act, as that legislation has effect in EU law.
- (9) In this section—
 - "the Central Securities Depositories Regulation" means Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012;
 - "the Delegated Cash Penalties Regulation" means Commission Delegated Regulation (EU) 2017/389 of 11 November 2016 supplementing Regulation (EU) No 909/2014 of the European Parliament and of the Council as regards the parameters for the calculation of cash penalties for settlement fails and the operations of CSDs in host Member States;

Financial Services (Implementation of Legislation) Bill [Lords], continued

“the Markets in Financial Instruments Regulation” means Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012;

“the Prospectus Regulation” means Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC;

“the Securities Financing Transactions Regulation” means Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012.”

Member’s explanatory statement

This new Clause is an alternative to Clause 1. This creates a system by which the Treasury will propose to the House what EU financial services legislation the Treasury intends to make provision for in domestic law, and then to seek the House’s approval for those changes, and to make a statement detailing how the Government will apply the opinion of the House.

Jonathan Reynolds
Anneliese Dodds

NC2

To move the following Clause—

“Report on the provisions of regulations under this Act

- (1) Prior to making any regulations under this Act, the Treasury must publish a report on the impact of the provisions of those regulations.
- (2) A report under this section must consider, in respect of the regulations proposed to be made—
 - (a) the impact of those provisions on households at different levels of income,
 - (b) the impact of those provisions on people with protected characteristics (within the meaning of the Equality Act 2010),
 - (c) the impact of those provisions on the Treasury’s compliance with the public sector equality duty under section 149 of the Equality Act 2010, and
 - (d) the impact of those provisions on equality in different parts of the United Kingdom and different regions of England.”

Member’s explanatory statement

This new clause would require a report to be made on the impact of any regulations under this Bill before any such regulations are made.

ORDER OF THE HOUSE [11 FEBRUARY 2019]

That the following provisions shall apply to the Financial Services (Implementation of Legislation) Bill [Lords]:

Committal

1. The Bill shall be committed to a Public Bill Committee.

Financial Services (Implementation of Legislation) Bill [Lords], continued

Proceedings in Public Bill Committee

2. Proceedings in the Public Bill Committee shall (so far as not previously concluded) be brought to a conclusion on Thursday 28 February.
3. The Public Bill Committee shall have leave to sit twice on the first day on which it meets.

Proceedings on Consideration and up to and including Third Reading

4. Proceedings on Consideration and any proceedings in legislative grand committee shall (so far as not previously concluded) be brought to a conclusion one hour before the moment of interruption on the day on which proceedings on Consideration are commenced.
5. Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption on that day.
6. Standing Order No. 83B (Programming committees) shall not apply to proceedings on Consideration and up to and including Third Reading.

Other proceedings

7. Any other proceedings on the Bill may be programmed.
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