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Report Stage: Wednesday 16 November 2022

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## Financial Services and Markets Bill, As Amended (Amendment Paper)

This document lists all amendments tabled to the Financial Services and Markets Bill. Any withdrawn amendments are listed at the end of the document. The amendments are arranged in the order in which it is expected they will be decided.

★ New Amendments.

New Amendments: NC8 and NC9

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Tulip Siddiq

NC1

To move the following Clause—

**“National strategy on financial fraud**

- (1) The Treasury must lay before the House of Commons a national strategy for the purpose of detecting, preventing and investigating fraud and associated financial crime within six months of the passing of this Act.
- (2) In preparing the strategy, the Treasury must consult—
  - (a) the Secretary of State for the Home Office,
  - (b) the National Economic Crime Centre,
  - (c) law enforcement bodies which the Treasury considers relevant to the strategy,
  - (d) relevant regulators,
  - (e) financial services stakeholders,
  - (f) digital platforms, telecommunications companies, financial technology companies, and social media companies.
- (3) The strategy must include arrangements for a data-sharing agreement involving—
  - (a) relevant law enforcement agencies,
  - (b) relevant regulators,
  - (c) financial services stakeholders,
  - (d) telecommunications stakeholders, and
  - (e) technology-based communication platforms,for the purposes of detecting, preventing and investigating fraud and associated financial crime and, in particular, tracking stolen money which may pass through mule bank accounts or platforms operated by other financial services stakeholders.

- (4) In this section “fraud and associated financial crime” includes, but is not limited to authorised push payment fraud, unauthorised facility takeover fraud, and online and offline identity fraud.
- (5) In this section, “financial services stakeholders” includes banks, building societies, credit unions, investment firms, Electric Money Institutions, virtual asset providers and exchanges, and payment system operators.”

**Member’s explanatory statement**

This new clause would require the Treasury to publish a national strategy for the detection, prevention and investigation of fraud and associated financial crime, after having consulted relevant stakeholders. The strategy must include arrangements for a data sharing agreement between law enforcement agencies, regulators and others to track stolen money.

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Tulip Siddiq

NC2

To move the following Clause—

**“Local community access to essential in-person banking services**

- (1) The Treasury and the FCA must jointly undertake a review of the state of access to essential in-person banking services for local communities in the United Kingdom, and jointly prepare a report on the outcome of the review.
- (2) “Essential in-person banking services” include services which are delivered face-to-face and which local communities require regular access to. These may include services provided in banks, banking hubs, or other service models.
- (3) The report mentioned in subsection (1) must be laid before the House of Commons as soon as practicable after the review has been undertaken.
- (4) The report mentioned in subsection (1) must propose a minimum level of access to essential in-person banking services which must be provided by banks and building societies in applicable local authority areas in the United Kingdom, for the purpose of ensuring local communities have adequate access to essential in-person banking services.
- (5) The applicable local authority areas mentioned in subsection (4) are local authority areas in which, in the opinion of the FCA, local communities have a particular need for the provision of essential in-person banking services.
- (6) In any applicable local authority area which, according to the results of the review undertaken under subsection (1) falls below the minimum level of access mentioned in subsection (4), the FCA may give directions for the purpose of ensuring essential in-person banking services meet the minimum level of access required by subsection (4).
- (7) A direction under subsection (6) may require a minimum level of provision of essential in-person banking services through mandating, for example—
  - (a) a specified number of essential in-person banking services within a geographical area, or
  - (b) essential in-person banking services to operate specific opening hours.”

**Member's explanatory statement**

This new clause would require the Treasury and FCA to conduct and publish a review of community need for, and access to, essential in-person banking services, and enable the FCA to ensure areas in need of essential in-person banking service have a minimum level of access to such services.

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Tulip Siddiq

NC3

To move the following Clause—

**“Essential banking services access policy statement**

- (1) The Treasury must lay before the House of Commons an essential banking services access policy statement within six months of the passing of this Act.
- (2) An “essential banking services access policy statement” is a statement of the policies of His Majesty’s Government in relation to the provision of adequate levels of access to essential in-person banking services in the United Kingdom.
- (3) “Essential in-person banking services” include services which are delivered face-to-face, and may include those provided in banks, banking hubs, or other service models.
- (4) The policies mentioned in sub-section (2) may include those which relate to—
  - (a) ensuring adequate availability of essential in-person banking services;
  - (b) ensuring adequate provision of support for online banking training and internet access, for the purposes of ensuring access to online banking; and
  - (c) expectations of maximum geographical distances service users should be expected to travel to access essential in-person banking services in rural areas.
- (5) The FCA must have regard to the essential banking services access policy statement when fulfilling its functions.”

**Member's explanatory statement**

This new clause would require the Treasury to publish a policy statement setting out its policies in relation to the provision of essential in-person banking services, including policies relating to availability of essential in-person banking services, support for online banking, and maximum distances people can expect to travel to access services.

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Tulip Siddiq

NC4

To move the following Clause—

**“FCA duty to report on mutual and co-operative business models**

- (1) The FCA must lay before Parliament a report as soon as practicable after the end of—

- (a) the period of 12 months beginning with the day on which this Act is passed, and
  - (b) every subsequent 12-month period,
- on how it considers the specific needs of mutual and co-operative financial services providers and other relevant business models when discharging its regulatory functions.
- (2) The “specific needs” referred to in subsection (1) must include the needs of mutual and co-operative financial services providers to have a level playing field with financial services providers which are not mutuals or co-operatives.
  - (3) The “mutual and co-operative financial services providers and other relevant business models” referred to in subsection (1) may include—
    - (a) credit unions,
    - (b) building societies,
    - (c) mutual banks,
    - (d) co-operative banks, and
    - (e) regional banks.”

**Member’s explanatory statement**

This new clause would require the FCA to report annually on how they have considered the specific needs of mutual and co-operative financial services.

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Tulip Siddiq

NC5

To move the following Clause—

**“PRA duty to report on mutual and co-operative business models**

- (1) The FCA must lay before Parliament a report as soon as practicable after the end of—
  - (a) the period of 12 months beginning with the day on which this Act is passed, and
  - (b) every subsequent 12-month period,

on how it considers the specific needs of mutual and co-operative financial services providers and other relevant business models when discharging its regulatory functions.
- (2) The “specific needs” referred to in subsection (1) must include the needs of mutual and co-operative financial services providers to have a level playing field with financial services providers which are not mutuals or co-operatives.
- (3) The “mutual and co-operative financial services providers and other relevant business models” referred to in subsection (1) may include—
  - (a) credit unions,
  - (b) building societies,
  - (c) mutual banks,
  - (d) co-operative banks, and
  - (e) regional banks.”

**Member's explanatory statement**

This new clause would require the FCA to report annually on how they have considered the specific needs of mutual and co-operative financial services.

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Tulip Siddiq

NC6

To move the following Clause—

**“Updated Green Finance Strategy**

- (1) The Treasury must lay before the House of Commons an updated Green Finance Strategy within three months of the passing of this Act.
- (2) The strategy must include—
  - (a) a Green Taxonomy, and
  - (b) Sustainability Disclosure Requirements.
- (3) In preparing the strategy, the Treasury must consult—
  - (a) financial services stakeholders,
  - (b) businesses in the wider economy,
  - (c) the Secretary of State for Business, Energy and Industrial Strategy, and
  - (d) the Secretary of State for Work and Pensions.
- (4) In this section a “Green Taxonomy” means investment screening criteria which classify which activities can be defined as environmentally sustainable including, but not limited to—
  - (a) climate change mitigation and adaptation,
  - (b) sustainable use and protection of water and marine resources,
  - (c) transitions to a circular economy,
  - (d) pollution prevention and control, and
  - (e) protection and restoration of biodiversity and ecosystems.
- (5) In this section “Sustainability Disclosure Requirements” are the requirements placed on companies, including listed issuers, asset managers and asset owners, to report on their sustainability risks, opportunities and impacts.”

**Member's explanatory statement**

This new clause would require the Treasury to publish an updated Green Finance Strategy. This must include a Green Taxonomy and Sustainability Disclosure Requirements.

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Siobhain McDonagh

NC7

To move the following Clause—

**“Access to cash: Guaranteed minimum provision**

- (1) The Treasury must, by regulations, make provision to guarantee a minimum level of access to free of charge cash access services for consumers across the United Kingdom.

- (2) The minimum level of access referred to in subsection (1) must be included in the regulations.
- (3) Regulations under this section shall be made by statutory instrument, and may not be made unless a draft has been laid before and approved by resolution of each House of Parliament."

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Olivia Blake

NC8

★ To move the following Clause—

**"Stewardship reporting requirements for occupational pension schemes**

- (1) Section 36 of the Pensions Act 1995 (Choosing investments) is amended as follows.
- (2) In subsection (1) after "(4)" insert "and, for relevant schemes, (4A)".
- (3) After subsection (4), insert—
  - "(4A) The trustees of relevant schemes must publish information regarding their stewardship activities. In doing so they must have regard to, amongst other matters, the scheme's—
    - (a) purpose, culture, values and strategy;
    - (b) governance structures and processes;
    - (c) conflicts of interest policy;
    - (d) engagement strategy, including escalation steps;
    - (e) aggregate statistics on total engagement activity;
    - (f) thematic engagement priorities; and
    - (g) engagement outcomes."
- (4) After subsection (6), insert—
  - "(6A) For the purposes of this section—
    - (a) a "relevant scheme" means a scheme with £5bn or more in relevant assets,
    - (b) "relevant assets" is to be calculated in accordance with methods and assumptions prescribed in regulations.""

**Member's explanatory statement**

This new clause raises the baseline standard of stewardship for large institutional investors beyond the minimum standards set by the UK's implementation of the Shareholder Rights Directive, drawing on the Financial Reporting Council's Stewardship Code and ShareAction's Best Practice Engagement Reporting Template.

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Olivia Blake

NC9

★ To move the following Clause—

**“Stewardship reporting requirements for certain investors**

- (1) The FCA may make rules requiring some or all of those managing investments to publish information on their stewardship activities. In doing so they must have regard to, amongst other matters—
  - (a) purpose, culture, values, business model and strategy;
  - (b) governance structures and processes;
  - (c) conflicts of interest policy;
  - (d) engagement strategy, including escalation steps;
  - (e) aggregate statistics on total engagement activity;
  - (f) thematic engagement priorities; and
  - (g) engagement outcomes.
- (2) The FCA may make rules to clarify the definition of “the most significant votes” in rule 3.4.6 of the systems and controls section of the FCA Handbook.”

**Member’s explanatory statement**

This new clause would enable the FCA to make rules raising the baseline standard of stewardship for large institutional investors beyond the minimum standards set by the UK’s implementation of the Shareholder Rights Directive, drawing on the Financial Reporting Council’s Stewardship Code and ShareAction’s Best Practice Engagement Reporting Template. It would also allow the FCA to define and monitor “significant votes”.

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## Order of the House

**[7 September 2022, as amended 22 September 2022]**

That the following provisions shall apply to the Financial Services and Markets Bill:

**Committal**

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

**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 3 November 2022.
3. The Public Bill Committee shall have leave to sit twice on the first day on which it meets.

**Proceedings on Consideration and Third Reading**

4. Proceedings on Consideration 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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