
Report Stage: Wednesday 30 November 2022

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 Any withdrawn amendments are listed at the end of the document.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.

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.

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.

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.

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.

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.

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.

Siobhain McDonagh

NC7

David Mundell

Emma Hardy

Philip Davies

Henry Smith

Greg Smith

Sir Greg Knight

Douglas Ross

Danny Kruger

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.”

 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.

 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”.

Nick Smith

NC10

To move the following Clause—

“Consumer Panel duty to report to Parliament

- (1) FSMA 2000, as amended by Section 6 of the Financial Services Act 2012 and Section 132 of the Financial Services (Banking Reform) Act 2013, is amended as follows.
- (2) At the end of section 1Q, insert—
 - “(7) The Consumer Panel must lay an annual report before Parliament evaluating the FCA’s fulfilment of its statutory duty to protect consumers, including comments on—
 - (a) the adequacy and appropriateness of the FCA’s use of its regulatory powers;
 - (b) the measures the FCA has taken to protect vulnerable consumers, including pensioners, people with disabilities, and people receiving forms of income support; and
 - (c) the FCA’s receptiveness to the recommendations of the Consumer Panel.””

Member’s explanatory statement

This new clause would introduce a further level of Parliamentary scrutiny of the work of the FCA to protect consumers by requiring the Financial Services Consumer Panel to lay an annual report before Parliament outlining its views on the FCA’s fulfilment of its statutory duty to protect consumers.

Harriett Baldwin

NC11

To move the following Clause—

“Personalised financial guidance: power to make regulations

- (1) The Treasury may by regulations make provision for UK citizens to access personalised financial guidance from appropriately regulated financial services firms, for the purposes of supporting them to make decisions which improve their financial sustainability.
- (2) The “UK citizens” referred to in sub-section (1) include, in particular, UK citizens who are unlikely to have access to financial advice (provided in accordance with Chapter 12 of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001).
- (3) In this section, “personalised financial guidance” means a communication—
 - (a) that is made to a person in their capacity as an investor or potential investor, or in their capacity as agent for an investor or a potential investor;
 - (b) which constitutes a recommendation to them to do any of the following (whether as principal or agent)—
 - (i) buy, sell, subscribe for, exchange, redeem, hold or underwrite a particular investment which is a security, structured deposit or a relevant investment; or
 - (ii) exercise or not exercise any right conferred by such an investment to buy, sell, subscribe for, exchange or redeem such an investment; and
 - (c) that is—
 - (i) based on a consideration of the circumstances of that person; and
 - (ii) not explicitly presented as suitable for the person to whom it is made.
- (4) The provision that may be made by regulations under this section includes provisions—
 - (a) relating to the provision of financial advice;
 - (b) relating to suitability requirements under MiFID;
 - (c) conferring powers, or imposing duties, on a relevant regulator (including a power to make rules or other instruments).
- (5) The power to make regulations under this section includes power to modify legislation.
- (6) The power under subsection (5) includes power to modify the definition of “personalised financial guidance” in subsection (2).
- (7) Regulations made under this section, and which modify only the following kinds of legislation are subject to the negative procedure—
 - (a) EU tertiary legislation;
 - (b) subordinate legislation that was not subject to affirmative resolution on being made.

- (8) Regulations under this section to which subsection (7) does not apply are subject to the affirmative procedure.
- (9) Before making regulations under this section, the Treasury must consult the FCA.
- (10) In this section—

“legislation” means primary legislation, subordinate legislation and retained direct EU legislation;

“MiFID” means Regulation (EU) 2017/565 supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive.”

Richard Fuller
Craig Tracey

NC12

To move the following Clause—

“Requirement to publish regulatory performance information on new authorisations

- (1) The FCA and PRA must each lay before Parliament a report on their regulatory performance as soon as practicable after the end of—
 - (a) the period of six months beginning with the day on which this Act receives Royal Assent, and
 - (b) each subsequent quarter.
- (2) A report under this section must include analysis of data on—
 - (a) the number of new applications for authorisation made to each regulator during the reporting period, with a breakdown by authorisation type;
 - (b) the rates of approval for applications for authorisation by each regulator, with a breakdown by authorisation type;
 - (c) the average length of time taken from application to final authorisation decision by each regulator;
 - (d) the FCA or PRA’s assessment of the time and cost incurred by applicants to comply with information requirements for authorisation; and
 - (e) such other matters as the Treasury considers appropriate.”

Member’s explanatory statement

This new clause requires both regulators to publish regular reports to Parliament on their regulatory performance for new applicants for regulation.

Richard Fuller
Craig Tracey

NC13

To move the following Clause—

“Requirement to publish regulatory performance information on authorised firms

- (1) The FCA must lay before Parliament a report on its regulatory performance as soon as practicable after the end of—
 - (a) the period of six months beginning with the day on which this Act receives Royal Assent, and
 - (b) each subsequent quarter.
- (2) A report under this section must include the average length of time taken from the initial submission of an application for authorisation by an applicant to the issuing of a final decision by the FCA for each of the following regulatory responsibilities—
 - (a) approved persons;
 - (b) change in control;
 - (c) variation of permission;
 - (d) waivers and modifications that alter compliance obligations.”

Member’s explanatory statement

This new clause requires the FCA to publish regular reports to Parliament on its regulatory performance for existing authorised entities and persons.

Richard Fuller
Craig Tracey

NC14

To move the following Clause—

“Determination of applications

- (1) The Financial Services and Markets Act 2000 is amended as follows.
- (2) After section 61(2) insert—
 - “(2ZA) In determining the application, the regulator must—
 - (a) assign a new application to a case handler within five working days of the application being received;
 - (b) complete an initial application review within ten working days of allocation to a case handler; and
 - (c) make no requests for additional information after a period of fifteen working days from the receipt of the application.
 - (2ZZA) The regulators must publish, on an annual basis, monitoring data relating to—
 - (a) the proportion of cases which require escalation to sponsoring firms, including summary trend data on the reasons for escalation;
 - (b) the average time taken to assign a case handler; and
 - (c) the average number of days it takes to complete determination of an application.”

Member’s explanatory statement

This new clause would add to the regulators’ authorisation KPIs outlined in the Financial Services

and Markets Act 2000 and require them to publish monitoring data related to the determination of authorisations.

Richard Fuller
Craig Tracey

NC15

To move the following Clause—

“Regulators’ duty to report on competitiveness and growth objective

- (1) The FCA and PRA must each 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 receives Royal Assent, and
 - (b) every subsequent 12-month period,on how they consider that they have facilitated the international competitiveness of the economy of the United Kingdom and its growth in the medium to long term.
- (2) Reports under this section must include analysis of data on the following—
 - (a) steps taken to simplify regulatory rulebooks and frameworks;
 - (b) the number of new market entrants to the UK;
 - (c) new regulations introduced in the previous twelve months;
 - (d) an assessment of the impact of the new regulations to UK competitiveness;
 - (e) comparative analysis of the number of new authorisations in the UK and other international jurisdictions in the previous twelve months;
 - (f) comparative analysis of product and service innovations introduced in the UK and other international jurisdictions in the previous twelve months; and
 - (g) such other matters as the Treasury may from time to time direct.”

Member’s explanatory statement

This new clause would require both the FCA and PRA to each publish an annual report setting out how they have facilitated international competitiveness and growth against a range of data and analysis requirements.

Richard Fuller
Craig Tracey

NC16

To move the following Clause—

“Regulatory principles to be applied by both regulators: proportionality principle

- (1) The Financial Services and Markets Act 2000 is amended as follows.
- (2) In section 3B(1)(b), leave out from “benefits,” to end and insert “taking into consideration the nature of the service or product being delivered, the nature of risk to the consumer, whether the cost of implementation

is proportionate to that level of risk and whether the burden or restriction enhances UK international competitiveness.””

Member’s explanatory statement

This new clause would amend the existing regulatory principle for both regulators and require them nature of and risk to the consumer, and the service or product being delivered, must be taken into account when imposing a new burden or restriction.

Richard Fuller 1
Craig Tracey

Clause 40, page 54, line 29, at end insert—

- “(c) be provided with any information or data that the Panel requires in order to fulfil its duties;
- (d) publish the agendas and minutes of meetings of the Panel; and
- (e) make publicly available its recommendations in full including, but not limited to, the evidence base and analysis it used to make its recommendations, the assessed costs and benefits of the FCA’s activities and the range of representations made by Panel members regarding those recommendations.”

Richard Fuller 2
Craig Tracey

Clause 40, page 54, line 36, at end insert “at least two of whom must be representatives of FCA authorised firms.”

Richard Fuller 3
Craig Tracey

Clause 40, page 54, line 41, leave out from “must” to end of line 42 and insert “within 30 days of the receipt of representations made to it by the FCA Cost Benefit Analysis Panel, publish a response to such representations , including a statement of actions it will take as a result of the representations.”

Richard Fuller 4
Craig Tracey

Clause 40, page 55, line 20, at end insert—

- “(c) be provided with any information or data that the Panel requires in order to fulfil its duties;
- (d) publish the agendas and minutes of meetings of the Panel; and
- (e) make publicly available its recommendations in full including, but not limited to, the evidence base and analysis it used to make its recommendations, the assessed costs and benefits of the PRA’s

activities and any dissenting representations made by Panel members regarding those recommendations.”

Richard Fuller 5
Craig Tracey

Clause 40, page 55, line 27, at end insert “at least two of whom must be representatives of PRA authorised firms”

Richard Fuller 6
Craig Tracey

Clause 40, page 55, line 32, leave out from “must” to end of line 33 and insert “within 30 days of the receipt of representations made to it by the PRA Cost Benefit Analysis Panel, publish a response to such representations , including a statement of actions it will take as a result of the representations.”

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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