

LORDS AMENDMENTS TO THE
FINANCIAL SERVICES AND MARKETS BILL

[The page and line references are to HL Bill 80, the bill as first printed for the Lords]

Clause 3

- 1 Page 3, line 15, at end insert—
“(aa) authorise the making of subordinate legislation by the Treasury;”

Clause 6

- 2 Page 6, line 29, after “section 1B(1)” insert “, (4A)”
3 Page 6, line 39, at end insert “, and
“(ii) the Bank’s duties under section 30D(1)(a) of that Act;”

Clause 8

- 4 Page 10, line 31, after “provided” insert “by designated activity regulations under section 71Q or”

After Clause 20

- 5 Insert the following new Clause—
“Sustainability disclosure requirements

Sustainability disclosure requirements

- (1) FSMA 2000 is amended as follows.
- (2) After section 416 insert—

“Sustainability disclosure requirements

416A SDR policy statement

- (1) The Treasury may prepare an SDR policy statement.

- (2) An “SDR policy statement” is a statement of the policies of His Majesty’s Government concerning disclosure requirements in connection with matters relating to sustainability.
- (3) In preparing an SDR policy statement, the Treasury must consult the regulators.
- (4) The Treasury must publish any SDR policy statement in such manner as they consider appropriate.
- (5) The Treasury –
 - (a) must keep any SDR policy statement under review;
 - (b) may prepare a revised statement (and subsections (3) and (4) apply in relation to any revised statement);
 - (c) may withdraw any SDR policy statement.
- (6) The Treasury may request a regulator to provide them with a report on any matter that the Treasury require in connection with the preparation of an SDR policy statement.
- (7) A request for a report under subsection (6) –
 - (a) must be made in writing, and
 - (b) may require a regulator to send the report to the Treasury within such reasonable period as may be specified in the request (or such other period as may be agreed).
- (8) A regulator must comply with a request under subsection (6).
- (9) Nothing in section 348, or in regulations made under section 349, is to be taken as preventing or restricting the ability of a regulator to disclose information to the Treasury for the purposes of this section.
- (10) Subsection (9) does not apply in relation to information provided to a regulator by a regulatory authority outside the United Kingdom.

416B FCA and PRA rules etc

- (1) When making rules or issuing guidance in connection with disclosure concerning matters relating to sustainability, a regulator must have regard to any SDR policy statement (within the meaning of section 416A) that the Treasury have published and not withdrawn.
- (2) For the purposes of this section, matters relating to sustainability include matters relating to –
 - (a) the environment, including climate change,
 - (b) social, community and human rights issues,
 - (c) tackling corruption and bribery, and
 - (d) governance, so far as relevant to matters within paragraphs (a) to (c).”
- (3) In Schedule 1ZA (the Financial Conduct Authority), in paragraph 11 (annual report), in sub-paragraph (1) –
 - (a) after paragraph (ha) insert –
 - “(hc) how it has satisfied the requirement in section 138EA(2) so far as regarding disclosure requirements in connection with matters relating to sustainability;”;

- (b) after paragraph (ia) insert—
 - “(ib) how it has satisfied the requirement in section 416B to have regard to any SDR policy statement of the Treasury published and not withdrawn under section 416A (sustainability disclosure requirements: policy statement);”.
- (4) In Schedule 1ZB (the Prudential Regulation Authority), in paragraph 19 (annual report), in sub-paragraph (1)—
 - (a) after paragraph (e) insert—
 - “(ea) how it has satisfied the requirement in section 138EA(2) so far as regarding disclosure requirements in connection with matters relating to sustainability;”;
 - (b) after paragraph (fa) insert—
 - “(fb) how it has satisfied the requirement in section 416B to have regard to any SDR policy statement of the Treasury under section 416A (sustainability disclosure requirements: policy statement), and”.

After Clause 24

6 Insert the following new Clause—

“Competitiveness and growth objective: reporting requirements

- (1) Each regulator must make two reports to the Treasury on how it has complied with its duty to advance the competitiveness and growth objective.
- (2) The reports prepared by each regulator under subsection (1) must in particular explain—
 - (a) the action taken by the regulator to ensure that the competitiveness and growth objective is embedded in its operations, processes and decision-making, and
 - (b) how any rules and guidance that the regulator has made advance that objective.
- (3) The first report under this section must be made before the end of 12 months beginning with the first day on which section 24 of this Act comes into force, and must relate to that period.
- (4) The second report under this section must be made before the end of 24 months beginning with the first day on which section 24 of this Act comes into force, and must relate to the period beginning with the day on which the first report is published.
- (5) The Treasury must lay a copy of each report prepared under this section before Parliament.
- (6) Each regulator must publish its reports prepared under this section in such manner as it thinks fit.
- (7) In this section—
 - (a) “regulator” means the FCA and the PRA;

- (b) references to the competitiveness and growth objective, and the duty to advance that objective, are—
 - (i) in relation to the FCA, references to its objective in section 1EB of FSMA 2000 and to its duty to advance that objective under section 1B(4A) of that Act, and
 - (ii) in relation to the PRA, references to its objective in section 2H(1B) of FSMA 2000 and to its duty to advance that objective under section 2H(1)(b) of that Act.”

Clause 25

7 Page 39, leave out lines 11 to 13 and insert—

- “(c) the need to contribute towards achieving compliance with sections 1 (the target for 2050) and 4(1)(b) (net UK carbon account) of the Climate Change Act 2008, and the conservation and enhancement of the natural environment, including compliance with relevant targets approved by Parliament, the Scottish Parliament, Senedd Cymru, and the Northern Ireland Assembly.”

Clause 26

8 Page 39, line 15, at end insert—

- “(1A) In section 1JA (Treasury recommendations in connection with general duties), after subsection (1)(c) insert—
 - “(ca) how to discharge the duty in section 1B(4A) (duty to advance competitiveness and growth objective),”.
- (1B) In section 1K (guidance about objectives), after subsection (1) insert—
 - “(1A) The reference in subsection (1) to the FCA’s operational objectives includes, in its application as a secondary objective, the competitiveness and growth objective (see section 1EB).”
- (1C) In section 2I (guidance about objectives), after subsection (1) insert—
 - “(1A) The reference in subsection (1) to the PRA’s objectives includes, in their application as secondary objectives, the competition objective and competitiveness and growth objective (see section 2H).”
- (1D) In section 3B (regulatory principles to be applied by both regulators), for subsection (3) substitute—
 - “(3) “Objectives”—
 - (a) in relation to the FCA means—
 - (i) operational objectives, and
 - (ii) in its application as a secondary objective, the competitiveness and growth objective (see section 1EB), and
 - (b) in relation to the PRA means—
 - (i) the PRA’s objectives, and

- (ii) in their application as secondary objectives, the competition objective and competitiveness and growth objective (see section 2H).”
- (1E) In section 3D (duty of FCA and PRA to ensure co-ordinated exercise of functions), for subsection (4) substitute –
- “(4) In this section, “objectives” –
- (a) in relation to the FCA means –
- (i) operational objectives, and
- (ii) in its application as a secondary objective, the competitiveness and growth objective (see section 1EB), and
- (b) in relation to the PRA means –
- (i) the PRA’s objectives, and
- (ii) in their application as secondary objectives, the competition objective and competitiveness and growth objective (see section 2H).
- (5) Where a regulator is proposing to exercise a function that is not one of its general functions, the reference to “objectives” in subsection (1)(a) does not include the secondary objectives mentioned in subsection (4)(a)(ii) and (b)(ii).
- (6) In this section, “general functions” –
- (a) in relation to the FCA, has the same meaning as in section 1B(6), and
- (b) in relation to the PRA, has the same meaning as in section 2J(1).”
- (1F) In section 138I (consultation by the FCA), in subsection (2)(d) after “1B(1)” insert “, (4A)”.”

9 Page 39, line 20, at end insert –

- “(2A) In section 232A (scheme operator’s duty to provide information to FCA) –
- (a) the existing words become subsection (1), and
- (b) after that subsection insert –
- “(2) The reference in subsection (1) to the FCA’s operational objectives includes, in its application as a secondary objective, the competitiveness and growth objective (see section 1EB).””

After Clause 26

10 Insert the following new Clause –

“FCA to have regard to financial inclusion within consumer protection objective

- (1) FSMA 2000 is amended as follows.
- (2) In section 1C (the consumer protection objective), after subsection (2)(c) insert –
- “(ca) financial inclusion;”.”

Clause 27

11 Page 40, line 6, at end insert –

“(1A) The statement must provide information about –

- (a) how representations (including by a statutory panel) can be made to each regulator with respect to its review of rules under section 3RA, and
- (b) the arrangements to ensure that those representations are considered.

(1B) In this section “statutory panel” has the meaning given by section 1RB(5).”

12 Page 41, line 13, at end insert “and

(iii) advance the competitiveness and growth objective;”

13 Page 41, line 15, at end insert “and

(ii) advance the PRA’s competition objective and the PRA’s competitiveness and growth objective;”

Clause 35

14 Page 49, line 40, at end insert –

“(ic) how it has complied with the statement of policy on panel appointments prepared under section 1RA in relation to the process for making appointments and the matters considered in determining who is appointed, and”

15 Page 50, line 6, at end insert –

“(za) after paragraph (ba) insert –

“(bb) how it has complied with the statement of policy on panel appointments prepared under section 2NA in relation to the process for making appointments and the matters considered in determining who is appointed,”

Clause 36

16 Page 50, line 30, leave out “the Treasury Committee of the House of Commons” and insert “each relevant Parliamentary Committee”

17 Page 50, line 40, at end insert –

“(4A) The reference in sub-paragraph (4)(a) to the FCA’s operational objectives includes, in its application as a secondary objective, the competitiveness and growth objective (see section 1EB).”

18 Page 50, line 43, leave out “Treasury Committee of the House of Commons” and insert “relevant Parliamentary Committees”

19 Page 50, line 43, at end insert –

“(5A) References in this paragraph to the relevant Parliamentary Committees are references to –

- (a) the Treasury Committee of the House of Commons,

- (b) the Committee of the House of Lords which—
 - (i) is charged with responsibility by that House for the purposes of this paragraph, and
 - (ii) has notified the FCA that it is a relevant Parliamentary Committee for those purposes, and
- (c) the Joint Committee of both Houses which—
 - (i) is charged with responsibility by those Houses for the purposes of this paragraph, and
 - (ii) has notified the FCA that it is a relevant Parliamentary Committee for those purposes.”

20 Page 51, line 42, leave out “the Treasury Committee of the House of Commons” and insert “each relevant Parliamentary Committee”

21 Page 52, line 8, at end insert—

“(4A) The reference in sub-paragraph (4)(a) to the PRA’s objectives includes, in their application as secondary objectives, the competition objective and the competitiveness and growth objective (see section 2H).”

22 Page 52, line 11, leave out “Treasury Committee of the House of Commons” and insert “relevant Parliamentary Committees”

23 Page 52, line 11, at end insert—

“(5A) References in this paragraph to the relevant Parliamentary Committees are references to—

- (a) the Treasury Committee of the House of Commons,
- (b) the Committee of the House of Lords which—
 - (i) is charged with responsibility by that House for the purposes of this paragraph, and
 - (ii) has notified the PRA that it is a relevant Parliamentary Committee for those purposes, and
- (c) the Joint Committee of both Houses which—
 - (i) is charged with responsibility by those Houses for the purposes of this paragraph, and
 - (ii) has notified the PRA that it is a relevant Parliamentary Committee for those purposes.”

Clause 41

24 Page 57, line 29, at end insert—

“(7A) The FCA must appoint to the FCA Cost Benefit Analysis Panel at least two individuals who are employed by persons authorised for the purposes of this Act by the FCA, with each one being employed by a different person.”

25 Page 58, line 22, at end insert—

“(7A) The PRA must appoint to the PRA Cost Benefit Analysis Panel at least two individuals who are employed by PRA-authorized persons, with each one being employed by a different person.”

26 Page 58, line 31, leave out “paragraph 10(1)” insert “paragraphs 10(1) and 10A”

After Clause 44

27 Insert the following new Clause –

“Panel reports

- (1) The Treasury may by regulations require specified statutory panels of the regulator to produce an annual report on their work and provide that report to the Treasury.
- (2) Regulations under subsection (1) may make provision about the content of the annual report.
- (3) The Treasury must lay a copy of each report prepared by virtue of this section before Parliament.
- (4) Each specified statutory panel of the regulator must publish its reports prepared by virtue of this section in such manner as it thinks fit.
- (5) In this section –
 - (a) “statutory panels of the regulator” means –
 - (i) in relation to the FCA, the panels mentioned in section 1RA(8) of FSMA 2000,
 - (ii) in relation to the PRA, the panels mentioned in section 2NA(8) of FSMA 2000, and
 - (iii) in relation to the Payment Systems Regulator, a panel established under section 103(3) of the Financial Services (Banking Reform) Act 2013;
 - (b) “specified” means specified in regulations under this section.
- (6) Regulations under this section are subject to the negative procedure.”

Clause 46

28 Page 67, line 14, at end insert –

- “(1A) The statement must provide information about –
- (a) how representations (including by a statutory panel) can be made to the Bank with respect to its review of rules under section 300I, and
 - (b) the arrangements to ensure that those representations are considered.
- (1B) In this section “statutory panel” has the meaning given by section 1RB(5).”

29 Page 68, line 23, at end insert “and

- (ii) the Bank’s secondary innovation objective (see section 30D(2) of the Bank of England Act 1998);”

Clause 47

30 Page 72, line 32, at end insert “and the Bank’s secondary innovation objective (see section 30D(2) of the Bank of England Act 1998)”

31 Page 72, line 37, at end insert –

- “(g) in sub-paragraph (5A)(b)(ii) and (c)(ii), the references to the PRA being notified were references to the Bank being notified.”

Clause 50

32 Page 74, line 9, at end insert—

“(4D) Where representations are made to the FCA by a Committee of the House of Commons or the House of Lords or a Joint Committee of both Houses in accordance with subsection (2)(e), the FCA’s account mentioned in subsection (4) must also describe how the FCA has considered the representations made by that Committee in making the proposed rules.””

33 Page 74, line 23, at end insert—

“(4D) Where representations are made to the PRA by a Committee of the House of Commons or the House of Lords or a Joint Committee of both Houses in accordance with subsection (2)(e), the PRA’s account mentioned in subsection (4) must also describe how the PRA has considered the representations made by that Committee in making the proposed rules.””

34 Page 74, line 36, at end insert—

“(5D) Where representations are made to the Payment Systems Regulator by a Committee of the House of Commons or the House of Lords or a Joint Committee of both Houses in accordance with subsection (3)(d), the Payment Systems Regulator’s account mentioned in subsection (5) must also describe how the Payment Systems Regulator has considered the representations made by that Committee in making the proposed requirement.”

After Clause 59

35 Insert the following new Clause—

“The Ombudsman scheme

- (1) FSMA 2000 is amended as follows.
- (2) In section 429 (Parliamentary control of statutory instruments), in subsection (2B) after paragraph (c) insert—
 - “(d) provision made under paragraph 15(3) of Schedule 17.”
- (3) Paragraph 15 of Schedule 17 (the Ombudsman scheme: power of scheme operator to charge fees) is amended as set out in subsections (4) and (5).
- (4) In sub-paragraph (1) after “respondent” insert “or other persons of a specified description”.
- (5) After sub-paragraph (2) insert—
 - “(3) The reference in sub-paragraph (1) to persons of a specified description is a reference to such descriptions of persons as may be specified in regulations made by the Treasury.
 - (4) The power conferred by sub-paragraph (3) to specify descriptions of persons may not be exercised so as to provide for eligible complainants to fall within a specified description of persons.

- (5) The reference in sub-paragraph (4) to “eligible complainants” is a reference to complainants who are eligible in relation to the compulsory or voluntary jurisdiction of the ombudsman scheme (see section 226(6) and 227(7)).
- (6) Before making regulations under sub-paragraph (3) the Treasury must consult the scheme operator.”

After Clause 65

36 Insert the following new Clause –

“Forest risk commodities

- (1) FSMA 2000 is amended in accordance with subsection (2).
- (2) After section 410 insert –

“Forest risk commodities

410ZA Forest risk commodities

- (1) A person must not carry on a regulated activity in the United Kingdom that may directly or indirectly support a commercial activity in relation to a forest risk commodity or a product derived from a forest risk commodity unless relevant local laws were complied with in relation to that commodity.
- (2) A person that intends to carry on a regulated activity that may directly or indirectly support a commercial activity in relation to a forest risk commodity or a product derived from a forest risk commodity must establish and implement a due diligence system in relation to that regulated activity to ensure compliance with relevant local laws.
- (3) The due diligence system referred to in subsection (2) must be in place within 24 months of the day on which the Financial Services and Markets Act 2023 is passed.
- (4) Within the period of one year beginning with the day on which the Financial Services and Markets Act 2023 is passed, the Secretary of State must by regulations made by statutory instrument make provision about the details of the due diligence system referred to in subsection (2).
- (5) A statutory instrument containing regulations under subsection (4) may not be made unless a draft of the instrument has been laid before and approved by a resolution of each House of Parliament.
- (6) In this section, “due diligence system” means a system for –
 - (a) identifying and obtaining information about the commercial activities of any beneficiary of the regulated activity and of their group regarding the use of a forest risk commodity,
 - (b) assessing the risk that relevant local laws were not complied with, or that free, prior and informed consent was not obtained from local communities, or from indigenous people in accordance with their rights under international law, in relation to that commodity, and

- (c) mitigating that risk.
- (7) A person that carries on a regulated activity in the United Kingdom that directly or indirectly supports a commercial activity in relation to a forest risk commodity or a product derived from a forest risk commodity is subject to –
 - (a) the reporting requirements under paragraph 4 of Schedule 17 to the Environment Act 2021 (“the Environment Act”) in relation to the due diligence system required under subsection (2), and
 - (b) Part 2 of Schedule 17 to the Environment Act as though they are a person to whom Part 1 of that Schedule applies.
- (8) Terms used in this section that are defined in Schedule 17 to the Environment Act have the meanings given in that Schedule.”
- (3) In paragraph 17(1) of Schedule 17 to the Environment Act 2021 (use of forest risk commodities in commercial activity), for “and any Part 2 regulations (“relevant provisions”)” substitute “, any Part 2 regulations (“relevant provisions”) and section 410ZA of the Financial Services and Markets Act 2000”.

After Clause 71

37 Insert the following new Clause –

“Arrangements for the investigation of complaints

- (1) The Financial Services Act 2012 is amended in accordance with subsections (2) and (3).
- (2) In section 84 (arrangements for the investigation of complaints) –
 - (a) omit the “and” at the end of subsection (1)(a);
 - (b) omit subsection (1)(b);
 - (c) after subsection (1) insert –
 - “(1A) The Treasury must appoint an independent person (“the investigator”) to be responsible for the conduct of investigations in accordance with the complaints scheme.”;
 - (d) omit subsection (4);
 - (e) in subsection (5), in the opening words, for “regulators” substitute “Treasury”.
- (3) In section 87 (investigation of complaints) –
 - (a) in subsection (9A), after paragraph (b) insert –
 - “(ba) for the regulator’s response under paragraph (b) to include a summary of –
 - (i) the cases in which the regulator decided not to follow any relevant recommendations, and
 - (ii) the reasons for not following those recommendations;”;
 - (b) in subsection (9B), after paragraph (e) insert –
 - “(f) such other matters as the Treasury may from time to time direct.”;

(c) after subsection (9B) insert—

- “(9C) In subsection (9A)(ba) the reference to “relevant recommendations”, in relation to the regulator’s response in respect of an annual report, is a reference to—
- (a) any recommendations to the regulator contained in that annual report, and
 - (b) any recommendations to the regulator contained in final reports relating to individual complaints given during the period to which that annual report relates.”

38

Insert the following new Clause—

“Politically exposed persons: money laundering and terrorist financing

- (1) The Treasury must exercise the power conferred by section 49 of the Sanctions and Anti-Money Laundering Act 2018 (power of appropriate Minister to make regulations about money laundering etc) for the purpose mentioned in subsection (2).
- (2) The purpose is to make provision amending Part 3 of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (S.I. 2017/692) (“the 2017 Regulations”) (customer due diligence) so as to secure the result required by subsection (3).
- (3) The result required by this subsection is that, where a customer is a domestic PEP, or a family member or a known close associate of a domestic PEP—
 - (a) the starting point for the relevant person’s assessment under regulation 35(3) of the 2017 Regulations is that the customer presents a lower level of risk than a non-domestic PEP, and
 - (b) if no enhanced risk factors are present, the extent of enhanced customer due diligence measures to be applied in relation to that customer is less than the extent to be applied in the case of a non-domestic PEP.
- (4) In this section—
 - (a) “customer” includes a potential customer;
 - (b) “domestic PEP” means a politically exposed person entrusted with prominent public functions by the United Kingdom;
 - (c) “enhanced risk factors”, in relation to a customer who is a domestic PEP or a family member or a known close associate of that domestic PEP, mean risk factors other than the customer’s position as a domestic PEP or as a family member or known close associate of that domestic PEP;
 - (d) “non-domestic PEP” means a politically exposed person who is not a domestic PEP;
 - (e) the following terms have the same meaning as in regulation 35(12) of the 2017 Regulations—
 - “politically exposed person” or “PEP”;
 - “family member”;
 - “known close associate”.
- (5) Section 55 of the Sanctions and Anti-Money Laundering Act 2018 (Parliamentary procedure for regulations) does not apply to regulations made in compliance with the duty imposed by subsection (1).

- (6) Regulations made in compliance with the duty imposed by subsection (1) –
 - (a) are subject to the negative procedure, and
 - (b) must be laid before Parliament in accordance with paragraph (a) before the end of 12 months starting with the day on which this section comes into force.
- (7) The Treasury must, before the end of 6 months starting with the day on which this section comes into force, lay before Parliament a statement setting out what progress has been made towards making the regulations in compliance with the duty imposed by subsection (1).
- (8) The duty in subsection (7) does not apply where the regulations have been laid before Parliament in accordance with subsection (6)(a) before the end of 6 months starting with the day on which this section comes into force.”

39 Insert the following new Clause –

“Politically exposed persons: review of guidance

- (1) The FCA must review its guidance on politically exposed persons (“PEPs”) given under section 139A of FSMA 2000 and in compliance with the requirements under regulation 48 of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (S.I. 2017/692) (“the 2017 Regulations”).
- (2) The review required under subsection (1) must include –
 - (a) an assessment of the extent to which the guidance is followed by those persons to whom it is given under regulation 48 of the 2017 Regulations, and
 - (b) in the light of that assessment, consideration as to whether the guidance remains appropriate or whether it should be revised.
- (3) The FCA must –
 - (a) before the end of 3 months beginning with the day on which this section comes into force, publish an update on the FCA’s plan for the review required under subsection (1), and
 - (b) before the end of 12 months beginning with the day on which this section comes into force –
 - (i) publish the conclusions of the review, and
 - (ii) where the FCA concludes that the guidance should be revised, publish draft revised guidance for consultation.
- (4) Publication as required by subsection (3) must be in the way appearing to the FCA to be best calculated to bring the publication to the attention of persons likely to be affected by it.
- (5) The FCA is not required under this section to publish any information whose publication would be against the public interest.
- (6) In this section –
 - (a) “domestic PEP” means a politically exposed person entrusted with prominent public functions by the United Kingdom;
 - (b) the following terms have the same meaning as in regulation 35(12) of the 2017 Regulations –
 - “politically exposed person” or “PEP”;
 - “family member”;

“known close associate”.”

Clause 76

- 40 Page 89, line 36, after “Act” insert “, or under any other enactment,”
41 Page 89, line 37, after “regulations” insert “, made under or by virtue of this Act,”

Clause 78

- 42 Page 90, line 14, at end insert –
“(aa) Part 5 of Schedule 2, and section 2 so far as relating to that Part;”
43 Page 90, line 18, at end insert –
“(e) section (*Politically exposed persons: money laundering and terrorist financing*);
(f) section (*Politically exposed persons: review of guidance*).”

Schedule 1

- 44 Page 94, line 12, at end insert –
“Official Listing of Securities (Change of Competent Authority) Regulations 1991 (S.I. 1991/2000)”
45 Page 94, line 16, at end insert –
“Official Listing of Securities (Change of Competent Authority) Regulations 2000 (S.I. 2000/968)
Financial Markets and Insolvency (Settlement Finality) (Revocation) Regulations 2001 (S.I. 2001/1349)”
46 Page 94, line 18, at end insert –
“Financial Services and Markets Act 2000 (Communications by Auditors) Regulations 2001 (S.I. 2001/2587)
Public Offers of Securities (Exemptions) Regulations 2001 (S.I. 2001/2955)
Financial Services and Markets Act 2000 (Official Listing of Securities) Regulations 2001 (S.I. 2001/2956)
Financial Services and Markets Act 2000 (Official Listing of Securities) (Transitional Provisions) Order 2001 (S.I. 2001/2957)”
47 Page 94, line 20, at end insert –
“Electronic Commerce Directive (Financial Services and Markets) (Amendment) Regulations (S.I. 2002/2015)”
48 Page 95, line 1, at end insert –
“Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2007 (S.I. 2007/126)
Financial Services and Markets Act 2000 (Markets in Financial Instruments) (Amendment No. 2) Regulations 2007 (S.I. 2007/2160)
Financial Services and Markets Act 2000 (Motor Insurance) Regulations 2007 (S.I. 2007/2403)”

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- 49 Page 95, line 2, at end insert –
“Financial Services and Markets Act 2000 (Reinsurance Directive)
Order 2007 (S.I. 2007/3254)
Financial Services and Markets Act 2000 (Reinsurance Directive)
Regulations 2007 (S.I. 2007/3255)”
- 50 Page 95, line 20, at end insert –
“Takeover Code (Concert Parties) Regulations 2008 (S.I. 2008/3073)”
- 51 Page 95, line 23, at end insert –
“Financial Services and Markets Act 2000 (Amendment) Regulations
2009 (S.I. 2009/2461)”
- 52 Page 95, line 26, at end insert –
“Financial Services and Markets Act 2000 (Market Abuse) Regulations
2009 (S.I. 2009/3128)”
- 53 Page 96, line 11, at end insert –
“Prospectus Regulations 2013 (S.I. 2013/1125)”
- 54 Page 96, line 42, at end insert –
“Payments to Governments and Miscellaneous Provisions
Regulations 2014 (S.I. 2014/3293)”
- 55 Page 96, line 47, at end insert –
“Banking Act 2009 (Restriction of Special Bail-in Provision, etc.) Order
2014 (S.I. 2014/3350)”
- 56 Page 97, line 21, at end insert –
“Financial Services and Markets Act 2000 (Qualifying EU Provisions)
(Amendment) Order 2016 (S.I. 2016/936)
Financial Services and Markets (Disclosure of Information to the
European Securities and Markets Authority etc. and Other
Provisions) Regulations 2016 (S.I. 2016/1095)
Companies Act 2006 (Distributions of Insurance Companies)
Regulations 2016 (S.I. 2016/1194)”
- 57 Page 98, line 13, at end insert –
“Banks and Building Societies (Priorities on Insolvency) Order 2018
(S.I. 2018/1244)”
- 58 Page 100, line 21, at end insert –
“Financial Services and Markets Act 2000 (Central Counterparties,
Investment Exchanges, Prospectus and Benchmarks) (Amendment)
Regulations 2020 (S.I. 2020/117)”
- 59 Page 100, leave out lines 45 and 46
- 60 Page 101, line 9, at end insert –
“Financial Services and Markets Act 2000 (Qualifying Provisions)
(Amendment) Order 2022 (S.I. 2022/1252)”
- 61 Page 103, line 3, at end insert –
“(za) section 55J(7A) to (7C);
(zb) section 55KA;”
- 62 Page 103, line 9, at end insert –
“(fa) section 367(3)(za);”

Schedule 2

63 Page 126, line 39, at end insert –

“PART 4A

AMENDMENTS TO THE CENTRAL COUNTERPARTIES (AMENDMENT, ETC., AND TRANSITIONAL PROVISION) (EU EXIT) REGULATIONS 2018

50A (1) Regulation 19B of the Central Counterparties (Amendment, etc., and Transitional Provision) (EU Exit) Regulations 2018 (S.I. 2018/1184) is amended as follows.

(2) In paragraph (2) for “one year” substitute “3 years and 6 months”.

(3) After paragraph (3) insert –

“(4) The period determined by the Bank of England in a particular case under paragraph (2) (whenever determined) may be varied by the making of a subsequent determination.

(5) Paragraph (6) applies where –

- (a) a central counterparty (A) was taken to be recognised pursuant to Article 25 of the EMIR regulation in accordance with regulation 19A(3), and
- (b) A ceased to be taken to be so recognised by virtue of the relevant period in the case of A having expired before the commencement day.

(6) The Bank of England –

- (a) may determine that the relevant period in the case of A is (in spite of its expiry) to be treated, as from the making of the determination, as not having expired, and
- (b) may accordingly exercise its power under this regulation to vary the relevant period on or after the commencement day.

(7) In paragraphs (5) and (6) “the commencement day” means the day on which Part 5 of Schedule 2 to the Financial Services and Markets Act 2023 comes into force.

(8) Paragraphs (5) to (7) expire at the end of 31 December 2025 (but without affecting any variation of a relevant period made under this regulation by virtue of paragraph (6)(b) before that time).”

Schedule 5

64 Page 135, line 32, leave out sub-paragraphs (3) to (5) and insert –

“(3) For subsection (4) substitute –

“(4) If either regulator –

- (a) proposes to vary a Part 4A permission or to impose or vary a requirement,
- (b) varies a Part 4A permission, or imposes or varies a requirement, with immediate effect,

- (c) proposes to vary a permission under section 55NA, or
 - (d) varies permission under section 55NA with immediate effect,
- it must give A written notice.””

65 Page 136, line 8, leave out paragraph 13

Schedule 7

66 Page 150, line 44, at end insert –

“(1A) The statement must provide information about –

- (a) how representations (including by a relevant panel) can be made to the Regulator with respect to its review of requirements under section 104B, and
- (b) the arrangements to ensure that those representations are considered.

(1B) In this section “relevant panel” means –

- (a) a panel of the Payment Systems Regulator established under section 103(3),
- (b) a panel of the FCA mentioned in section 1RA(8) of FSMA 2000, and
- (c) a panel of the PRA mentioned in section 2NA(8) of FSMA 2000.”

67 Page 155, line 30, at end insert –

- “(bb) set out how the Regulator has complied with the statement of policy on panel appointments prepared under section 104I in relation to the process for making appointments and the matters considered in determining who is appointed,”

68 Page 156, line 36, leave out “the Treasury Committee of the House of Commons” and insert “each relevant Parliamentary Committee”

69 Page 156, leave out line 43 and insert –

- “(b) demonstrate that the Regulator has had regard to the regulatory principles in section 53 when preparing the proposals,”

70 Page 157, line 5, leave out “Treasury Committee of the House of Commons” and insert “relevant Parliamentary Committees”

71 Page 157, line 6, at end insert –

“(5A) References in this paragraph to the relevant Parliamentary Committees are references to –

- (a) the Treasury Committee of the House of Commons,
- (b) the Committee of the House of Lords which –
 - (i) is charged with responsibility by that House for the purposes of this paragraph, and
 - (ii) has notified the Regulator that it is a relevant Parliamentary Committee for those purposes, and
- (c) the Joint Committee of both Houses which –
 - (i) is charged with responsibility by those Houses for the purposes of this paragraph, and
 - (ii) has notified the Regulator that it is a relevant Parliamentary Committee for those purposes.”

Schedule 8

- 72 Page 158, line 17, after “service” insert “, “free cash access service””
- 73 Page 158, line 29, at end insert –
 “(3A) A “free cash access service” is a cash access service that is –
 (a) a free of charge service which enables cash to be placed on a relevant personal current account, or
 (b) a free of charge service which enables cash to be withdrawn from a relevant personal current account.”
- 74 Page 159, line 4, at end insert “, “relevant personal current account””
- 75 Page 159, line 15, at end insert –
 “(3A) A “relevant personal current account” means a relevant current account held by one or more individuals for purposes outside any business, trade, craft or profession of that individual or those individuals.”
- 76 Page 159, line 37, at end insert –
 “(2A) The reference to cash access services in subsection (2) includes free cash access services.”
- 77 Page 162, line 7, at end insert –
 “(1A) In this section references to cash access services include references to free cash access services.”

Schedule 11

- 78 Page 213, line 3, leave out “financial”
- 79 Page 213, leave out lines 23 and 24
- 80 Page 231, line 3, at end insert –
 “(ia) paragraph 34(6)(d),”
- 81 Page 234, line 2, leave out from “cover” to end of line 4 and insert “the CCP’s potential future exposure in the event of default by those members”
- 82 Page 255, line 7, at end insert –
 “(2A) Regulations under this paragraph may apply to partial property transfers generally or only to partial property transfers –
 (a) of a specified kind, or
 (b) made or applying in specified circumstances.”
- 83 Page 285, line 6, after “paragraph” insert “121 or”

Schedule 12

- 84 Page 309, line 11, at end insert –
 “(5A) A liability, to the extent of its reduction by a write-down order under this section, is to be treated as extinguished unless and until revived by section 377H or 377I.”
- 85 Page 312, line 40, leave out “termination” and insert “revocation”

86 Page 322, line 30, leave out “reduced value” and insert “reduction in value”

Financial Services and Markets Bill

LORDS AMENDMENTS

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