

Financial Services (Banking Reform) Bill

COMMONS DISAGREEMENT AND REASON

[The page and line references are to HL Bill 38, the bill as first printed for the Lords.]

After Clause 12

LORDS AMENDMENT NO. 41

41 Insert the following new Clause –

“PART 4

CONDUCT OF PERSONS WORKING IN FINANCIAL SERVICES SECTOR

Amendments of FSMA 2000

Professional standards

After section 65 of FSMA 2000 insert –

“65A Professional standards

- (1) The regulator will raise standards of professionalism in financial services by mandating a licensing regime based on training and competence.
- (2) This licensing regime must –
 - (a) apply to all approved persons exercising controlled functions, regardless of financial sector;
 - (b) specify minimum thresholds of competence including integrity, professional qualifications, continuous professional development and adherence to a recognised code of conduct and revised Banking Standards Rules;
 - (c) make provisions in connection with –
 - (i) the granting of a licence;
 - (ii) the refusal of a licence;
 - (iii) the withdrawal of a licence; and
 - (iv) the revalidation of a licensed person of a prescribed description whenever the appropriate regulator sees fit, either as a condition of the person continuing to hold a licence or of the person’s licence being restored;
 - (d) be evidenced by individuals holding an annual validation of competence;

After Clause 12—continued

- (e) include specific provision for a Senior Persons Regime in relation to activities involving the exercise of a significant influence over a controlled function under section 59 of the Act.
- (3) In section 59, for “authorised” substitute “licensed” throughout the section.””

COMMONS DISAGREEMENT AND REASON

The Commons disagree to Lords Amendment No. 41 for the following reason –

41A

Because Lords Amendments Nos. 42 to 57 make more appropriate provision about the standards of those working in the financial services sector, and Lords Amendment No. 41 is incompatible with the provision made by those Lords Amendments.

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