

Financial Services Bill

AMENDMENTS
TO BE MOVED
IN GRAND COMMITTEE

After Clause 15

BARONESS NOAKES

Insert the following new Clause—

“Continuity of contract

If the FCA exercises one or more of the powers under Article 23D of the Benchmarks Regulation in respect of a benchmark, any reference to or description of that benchmark in a contract, security or instrument must be, with effect from the date of such exercise, interpreted as a reference to or description of the benchmark as modified by the FCA under its powers under Article 23D.”

Member’s explanatory statement

This amendment would ensure that if the FCA revised a benchmark under Article 23D (inserted by Clause 15) there would be continuity of contract by replacing references to the earlier benchmark with the revised one.

After Clause 40

BARONESS HAYMAN

Insert the following new Clause—

“Appointment of a member of FCA governing body with responsibility for climate change

In Schedule 1ZA to the Financial Services and Markets Act 2000 (Financial Conduct Authority), after paragraph 2(2)(d) insert—

“(da) a member appointed jointly by the Secretary of State and the Treasury with responsibility for climate change, and”.”

Member’s explanatory statement

This amendment adds a new provision which provides for the appointment of a board member of the FCA with responsibility for climate change.

Insert the following new Clause—

“Duty of PRA to report on climate risk

- (1) Schedule 1ZB to the Financial Services and Markets Act 2000 (Prudential Regulation Authority) is amended as follows.
- (2) In paragraph 19—
 - (a) after sub-paragraph (1)(f) insert—
 - “(fa) how it has evaluated exposure to climate related financial risks and the impacts of such risks on the stability of the UK financial system, and”;
 - (b) after sub-paragraph (1) insert—
 - “(1ZA) In carrying out an evaluation under paragraph 19(1)(fa) the PRA must—
 - (a) request advice from the Climate Change Committee, and
 - (b) publish the request, together with any associated terms of reference or guidance and any advice received.””

Member’s explanatory statement

This amendment would ensure that there is a regular mandatory reporting mechanism for a sector-wide climate risk assessment.

BARONESS BOWLES OF BERKHAMSTED
BARONESS KRAMER

Insert the following new Clause—

“Bank of England determination of accounting standards

- (1) Before the Secretary of State approves an accounting standard under the International Accounting Standards and European Public Limited-Liability Company (Amendment etc.) (EU Exit) Regulations 2019, the Bank of England shall determine whether an International Accounting Standard is suitable for use in United Kingdom banking and financial services, having regard to—
 - (a) whether the use of the standard is likely to have an adverse effect on the economy of the United Kingdom, including on economic growth, and
 - (b) whether the standard is suitable for use in prudential regulation.
- (2) The Bank of England shall inform the Secretary of State of their determination under subsection (1).
- (3) Where the Bank of England has determined that a standard is not suitable in accordance with subsection (1), that International Accounting Standard must not be used for the purpose of prudential regulation of banking companies in the United Kingdom.”

Member’s explanatory statement

This amendment requires the Bank of England to give a view on accounting standards as part of the UK endorsement process for their use in United Kingdom banking and financial services provision.

Schedule 2

BARONESS HAYMAN

Page 65, line 27, at end insert—

“(ba) the likely effect of the rules on the United Kingdom meeting its international and domestic commitments on tackling climate change, and”

Member’s explanatory statement

This amendment would ensure that the likely effect of the rules on the UK meeting its international and domestic commitments to tackling climate change is considered before Part 9C rules are made.

Schedule 3

BARONESS HAYMAN

Page 82, line 14, at end insert—

“(ca) the likely effect of the rules on the United Kingdom meeting its international and domestic commitments on tackling climate change, and”

Member’s explanatory statement

This amendment would ensure the likely effect of the rules on the UK meeting its international and domestic commitments to tackling climate change is considered before CRR rules are made.

Financial Services Bill

AMENDMENTS
TO BE MOVED
IN GRAND COMMITTEE

1 February 2021
