

Changes to legislation: Bank of England and Financial Services Act 2016, PART 1 is up to date with all changes known to be in force on or before 17 August 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

SCHEDULES

SCHEDULE 2

AMENDMENTS RELATING TO PART 1

PART 1

BANK OF ENGLAND ACT 1998

1 The Bank of England Act 1998 is amended as follows.

Commencement Information

I1 Sch. 2 para. 1 in force at 6.7.2016 by S.I. 2016/627, reg. 2(2)(a)

2 In section 2 (functions of court of directors), for subsection (5) substitute—

“(5) Subsections (2) to (4) are subject to—

- (a) section 2A (Financial Stability Objective);
- (b) section 11 (objectives in relation to monetary policy);
- (c) Part 1A of the Financial Services and Markets Act 2000 (objectives and strategy of the Prudential Regulation Authority).”

Commencement Information

I2 Sch. 2 para. 2 in force at 1.3.2017 by S.I. 2017/43, reg. 2(g)

3 In section 2A(2) (financial stability objective) for “, the Financial Conduct Authority and the Prudential Regulation Authority)” substitute “ and the Financial Conduct Authority) ”.

Commencement Information

I3 Sch. 2 para. 3 in force at 1.3.2017 by S.I. 2017/43, reg. 2(g)

4 (1) Section 3A (oversight functions) is amended as follows.

(2) In subsection (2)(a)—

- (a) in sub-paragraph (i), after “Act” insert “, the objectives specified in relation to the Prudential Regulation Authority in Part 1A of the Financial Services and Markets Act 2000 ”;
- (b) omit the “and” at the end of sub-paragraph (ii);
- (c) for sub-paragraph (iii) substitute—
“(iii) the Bank's strategy determined under section 2,

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- (iv) the Bank's financial stability strategy determined under section 9A, and
- (v) the strategy of the Prudential Regulation Authority determined under section 2E of the Financial Services and Markets Act 2000;”.

(3) In subsection (4) omit paragraphs (c) to (h).

Commencement Information

I4 Sch. 2 para. 4 in force at 1.3.2017 by S.I. 2017/43, reg. 2(g)

- 5 (1) Section 3C (reviews) is amended as follows.
- (2) In subsection (1)—
- (a) after “of its” insert “ oversight ”;
 - (b) for “Oversight Committee” substitute “ court of directors ”;
 - (c) in paragraphs (a) and (b) for “Committee” substitute “ court of directors ”.
- (3) In subsection (3)(a) for “by the Committee in the discharge of any of its” substitute “in relation to the discharge of any of the court’s”.
- (4) Omit subsection (4).
- (5) In subsection (5) for “the Committee must have regard” substitute “ regard must be had ”.

Commencement Information

I5 Sch. 2 para. 5 in force at 6.7.2016 by S.I. 2016/627, reg. 2(2)(b)

- 6 In section 3D(1) (publication of reports of performance reviews) for “Oversight Committee” substitute “ court of directors ”.

Commencement Information

I6 Sch. 2 para. 6 in force at 6.7.2016 by S.I. 2016/627, reg. 2(2)(b)

- 7 In section 3E(2) (recommendations resulting from review) for “Oversight Committee” substitute “ court of directors ”.

Commencement Information

I7 Sch. 2 para. 7 in force at 6.7.2016 by S.I. 2016/627, reg. 2(2)(b)

- 8 (1) Section 3F (oversight: further provisions) is amended as follows.
- (2) In subsection (1)—
- (a) for “Oversight Committee” substitute “ court of directors ”;
 - (b) after “of its” insert “ oversight ”;
 - (c) for “or the Monetary Policy Committee” substitute “ , the Monetary Policy Committee or the Prudential Regulation Committee ”.

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- (3) In subsection (2)—
- (a) for “Oversight Committee” substitute “ court of directors ”;
 - (b) for “or the Monetary Policy Committee” substitute “ , the Monetary Policy Committee or the Prudential Regulation Committee for the purposes of exercising its oversight functions ”.
- (4) After subsection (2) insert—
- “(2A) But a member of the court of directors who has any direct or indirect interest (including any reasonably likely future interest) in any dealing or business which falls to be considered by the Prudential Regulation Committee may not, under the powers conferred by this section—
- (a) obtain access to any documents relating to the dealing or business, or
 - (b) attend any proceedings of the Prudential Regulation Committee relating to any question arising from its consideration of the dealing or business.”
- (5) In subsection (3)—
- (a) in paragraph (a)—
 - (i) after “Policy Committee” insert “ , the Monetary Policy Committee or the Prudential Regulation Committee ”;
 - (ii) for “Oversight Committee” substitute “ court of directors ”;
 - (b) omit the “or” at the end of paragraph (b);
 - (c) at the end of paragraph (c) insert “ , or
 - (d) the powers of the Prudential Regulation Committee under paragraph 15(2) of Schedule 6A.”
- (6) In the heading, for “Committee” substitute “ functions ”.

Commencement Information

- 18** Sch. 2 para. 8(1)(2)(a)(b)(3)(a)(5)(a)(ii)(6) in force at 6.7.2016 by [S.I. 2016/627](#), [reg. 2\(2\)\(c\)](#)
19 Sch. 2 para. 8(2)(c)(3)(b)(5)(a)(i)(b)(c) in force at 1.3.2017 by [S.I. 2017/43](#), [reg. 2\(g\)](#)

- 9 (1) Section 4 (annual report by the Bank) is amended as follows.
- (2) For subsection (2)(a) substitute—
- “(a) a report by the court of directors on the matters which it reviews, monitors or otherwise considers in the performance of its oversight functions (as defined by section 3A(2)),”.
- (3) In subsection (2)(b)—
- (a) for “statement” substitute “ statements ”;
 - (b) after “7(2)” insert “ and (2A) ”;
 - (c) for “it” substitute “ them ”.
- (4) Omit subsection (3).
- (5) After subsection (6) insert—
- “(7) The Chancellor may comply with subsection (6) by laying a document containing a report under this section together with a report by the Prudential

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Regulation Authority under paragraph 19 of Schedule 1ZB to the Financial Services and Markets Act 2000.”

Commencement Information

I10 Sch. 2 para. 9(1)(2)(4) in force at 6.7.2016 by [S.I. 2016/627](#), [reg. 2\(2\)\(d\)](#)

I11 Sch. 2 para. 9(3)(5) in force at 1.3.2017 by [S.I. 2017/43](#), [reg. 2\(g\)](#)

10 Omit section 7A(9)(a) (definition of “qualifying company”).

Commencement Information

I12 [Sch. 2 para. 10](#) in force at 1.3.2017 by [S.I. 2017/43](#), [reg. 2\(g\)](#)

11 In section 9B(4) (Financial Policy Committee) for “Oversight Committee” substitute “ court of directors of the Bank ”.

Commencement Information

I13 [Sch. 2 para. 11](#) in force at 6.7.2016 by [S.I. 2016/627](#), [reg. 2\(2\)\(e\)](#)

12 In section 9O (FPC recommendations within the Bank), after subsection (4) insert—
 “(5) Recommendations by the Committee to the PRA are to be made under section 9Q (and not under this section).”

Commencement Information

I14 [Sch. 2 para. 12](#) in force at 1.3.2017 by [S.I. 2017/43](#), [reg. 2\(g\)](#)

13 (1) Section 9Y (directions requiring information or documents) is amended as follows.
 (2) In subsection (2) for “or the PRA (“the regulator”) requiring the regulator” substitute “ requiring it ”.
 (3) In subsection (3) for “regulator”, in each place it occurs, substitute “ FCA ”.
 (4) In subsection (4) omit—
 (a) the “and” at the end of paragraph (a);
 (b) paragraph (b).
 (5) In the italic heading before section 9Y, omit “or PRA”.

Commencement Information

I15 [Sch. 2 para. 13](#) in force at 1.3.2017 by [S.I. 2017/43](#), [reg. 2\(g\)](#)

14 (1) Section 9Z (further provisions about directions under section 9Y) is amended as follows.
 (2) In subsection (2)—
 (a) omit “or the PRA (“the regulator”)”;

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(b) for “regulator”, in the second place it occurs, substitute “ FCA ”.

(3) In subsection (4), for “regulator to which it is given” substitute “ FCA ”.

Commencement Information

I16 Sch. 2 para. 14 in force at 1.3.2017 by S.I. 2017/43, reg. 2(g)

- 15 In section 14 (publications of statements about decisions)—
- (a) in subsection (1) after “As soon as” insert “ reasonably ”;
 - (b) in subsection (5) after “As soon as” insert “ reasonably ”.

Commencement Information

I17 Sch. 2 para. 15 in force at 6.7.2016 by S.I. 2016/627, reg. 2(2)(f)

- 16 (1) Section 16 (functions of Oversight Committee) is amended as follows.
- (2) In subsection (1) for “Oversight Committee” substitute “ court of directors of the Bank ”.
 - (3) In subsection (2) for “the function of the Oversight Committee” substitute “ the court's function ”.
 - (4) In the heading, for “Oversight Committee” substitute “ court of directors ”.

Commencement Information

I18 Sch. 2 para. 16 in force at 6.7.2016 by S.I. 2016/627, reg. 2(2)(f)

- 17 In section 18(6) (reports) after “as soon as” insert “ reasonably ”.

Commencement Information

I19 Sch. 2 para. 17 in force at 6.7.2016 by S.I. 2016/627, reg. 2(2)(f)

- 18 In section 40(2) (orders) after “under—” insert— “ section 1A(1), ”.

Commencement Information

I20 Sch. 2 para. 18 in force at 6.7.2016 by S.I. 2016/627, reg. 2(2)(f)

- 19 (1) Schedule 1 (court of directors) is amended as follows.
- (2) In paragraph 8(2) for “Chief Executive of the Prudential Regulation Authority” substitute “ chief executive for prudential regulation (see Schedule 6A) ”.
 - (3) In paragraph 11(1), after paragraph (c) insert—
 - “(d) a committee consisting of officers, employees or agents of the Bank.”

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I21 Sch. 2 para. 19 in force at 1.3.2017 by S.I. 2017/43, reg. 2(g)

- 20 (1) Schedule 2A (Financial Policy Committee) is amended as follows.
- (2) In paragraph 5 for “Oversight Committee” substitute “ court of directors of the Bank ”.
- (3) In paragraph 6 for sub-paragraph (2) substitute—
- “(2) The following persons are disqualified for appointment under section 9B(1) (e)—
- (a) a member of the Monetary Policy Committee of the Bank appointed under section 13(2)(c);
- (b) a member of the Prudential Regulation Committee of the Bank appointed under section 30A(2)(g).”
- (4) In paragraph 9—
- (a) in sub-paragraph (1) for “Oversight Committee” substitute “ court of directors of the Bank ”;
- (b) in sub-paragraph (2) for “Oversight Committee” substitute “ court of directors ”.
- (5) In paragraph 11—
- (a) in sub-paragraph (2)(b) for “either” substitute “ one ”;
- (b) omit sub-paragraph (8).
- (6) In paragraph 14—
- (a) the existing text becomes sub-paragraph (1);
- (b) after that sub-paragraph insert—
- “(2) The Bank must issue and maintain a code of practice describing how members of the Committee and the Committee are to comply with sub-paragraph (1).
- (3) The Bank may at any time revise or replace the code.
- (4) Before issuing, revising or replacing the code, the Bank must consult the Treasury.
- (5) The Bank must publish the current version of the code in whatever manner it sees fit.
- (6) The Committee must comply with the code when taking decisions under sub-paragraph (1)(b).”
- (7) After paragraph 14 insert—
- “Decisions otherwise than at meetings*
- 15 (1) The Committee may take a decision on a matter without a meeting if—
- (a) a majority of eligible members indicate in writing their agreement to the decision,

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- (b) the eligible members who indicate in writing their agreement to the decision would have constituted a quorum at a meeting of the Committee, and
 - (c) any other requirements determined by the Committee are met.
- (2) “Eligible members” are members of the Committee who would have been entitled to vote on the matter if the matter had been proposed for decision at a meeting of the Committee.

Power to determine own procedure

- 16 Subject to paragraphs 11, 14 and 15, the Committee is to determine its own procedure.”

Commencement Information

I22 Sch. 2 para. 20(1)(2)(4)-(7) in force at 6.7.2016 by S.I. 2016/627, reg. 2(2)(g)

I23 Sch. 2 para. 20(3) in force at 1.3.2017 by S.I. 2017/43, reg. 2(g)

- 21 (1) Schedule 3 (Monetary Policy Committee) is amended as follows.
- (2) In paragraph 4(2) for “Oversight Committee” substitute “ court of directors of the Bank ”.
 - (3) For paragraph 5A substitute—
 - “5A The following persons are disqualified for appointment under section 13(2)(c)—
 - (a) a member of the Financial Policy Committee of the Bank appointed under section 9B(1)(e);
 - (b) a member of the Prudential Regulation Committee of the Bank appointed under section 30A(2)(g).”
 - (4) In paragraph 8—
 - (a) for “have executive responsibility” substitute “ carry out monetary policy analysis ”;
 - (b) omit the words from “for” to the end.
 - (5) In paragraph 9(1)—
 - (a) for “Oversight Committee” substitute “ court of directors of the Bank ”;
 - (b) in paragraph (a) for “meetings of the Monetary Policy Committee for more than 3 months” substitute “ 3 or more meetings of the Monetary Policy Committee ”.
 - (6) After paragraph 9(1) insert—
 - “(1A) The court of directors may, with the consent of the Chancellor of the Exchequer, also remove a member appointed under section 13(2)(c) if it is satisfied that in all the circumstances his financial or other interests are such as substantially to affect the functions as member which it would be proper for him to discharge.”
 - (7) In paragraph 14 for “submit a monthly” substitute “ , at least 8 times in each calendar year, submit a ”.

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- I24** Sch. 2 para. 21(1)(2)(4)-(7) in force at 6.7.2016 by [S.I. 2016/627](#), **reg. 2(2)(h)**
I25 Sch. 2 para. 21(3) in force at 1.3.2017 by [S.I. 2017/43](#), **reg. 2(g)**

- 22 (1) Schedule 7 (restriction on disclosure of information) is amended as follows.
- (2) In paragraph 2(1)—
- (a) omit the “or” at the end of sub-paragraph (b);
 - (b) at the end of sub-paragraph (c) insert “or
 - (d) its functions as the Prudential Regulation Authority.”
- (3) In paragraph 3(1), in column 1 of the table, in the entry for the Financial Conduct Authority or the Prudential Regulation Authority omit “or the Prudential Regulation Authority”.

Commencement Information

- I26** Sch. 2 para. 22 in force at 1.3.2017 by [S.I. 2017/43](#), **reg. 2(g)**

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Changes and effects yet to be applied to :

- specified provision(s) amendment to earlier commencing S.I. 2019/1136 by [S.I. 2020/929 reg. 2](#)