

SCHEDULES

SCHEDULE 2

AMENDMENTS RELATING TO PART 1

PART 2

OTHER ACTS

Bank of England Act 1946 (c. 27)

- 23 In section 4(1) of the Bank of England Act 1946 (power of Treasury to give directions to the Bank)—
- (a) the words “monetary policy” become paragraph (a);
 - (b) after that paragraph insert—
 - “(b) the exercise by the Bank of its functions as the Prudential Regulation Authority (see section 2A of the Financial Services and Markets Act 2000).”

House of Commons Disqualification Act 1975 (c. 24)

- 24 In Part 3 of Schedule 1 to the House of Commons Disqualification Act 1975 (other disqualifying offices)—
- (a) omit “Member of the governing body of the Prudential Regulation Authority;”;
 - (b) at the appropriate place insert—
 - “Member of the Prudential Regulation Committee of the Bank of England appointed under section 30A(2)(f) or (g) of the Bank of England Act 1998”.

Northern Ireland Assembly Disqualification Act 1975 (c. 25)

- 25 In Part 3 of Schedule 1 to the Northern Ireland Assembly Disqualification Act 1975 (other disqualifying offices)—
- (a) omit “Member of the governing body of the Prudential Regulation Authority;”;
 - (b) at the appropriate place insert—
 - “Member of the Prudential Regulation Committee of the Bank of England appointed under section 30A(2)(f) or (g) of the Bank of England Act 1998”.

Financial Services and Markets Act 2000 (c. 8)

- 26 The Financial Services and Markets Act 2000 is amended as follows.

- 27 Omit section 2O (independent reviews of PRA).
- 28 Omit section 2P (right to obtain documents etc for purposes of section 2O).
- 29 In section 3C (duty to follow principles of good governance), for “each regulator” substitute “the FCA”.
- 30 (1) Section 3Q (co-operation by FCA and PRA with Bank of England) is amended as follows.
- (2) In the heading, omit “and PRA”.
- (3) In subsection (1), for “Each regulator” substitute “The FCA”.
- (4) In subsection (2), for “regulator” substitute “FCA”.
- 31 In section 3R(2) (arrangements for provision of services by and to Bank of England)
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- (a) for “Either regulator” substitute “The FCA”;
- (b) in paragraphs (a) and (b), for “regulator” substitute “FCA”.
- 32 After section 3S insert—

“Interpretation

3T Interpretation

In this Part “enactment” includes—

- (a) an enactment contained in subordinate legislation within the meaning of the Interpretation Act 1978;
- (b) an enactment contained in, or in an instrument made under, an Act of the Scottish Parliament;
- (c) an enactment contained in, or in an instrument made under, a Measure or Act of the National Assembly for Wales;
- (d) an enactment contained in, or in an instrument made under, Northern Ireland legislation.”
- 33 (1) Section 137J (rules about recovery plans) is amended as follows.
- (2) In subsection (1), for paragraphs (a) and (b) substitute “the Treasury”.
- (3) After subsection (1) insert—
- “(1A) The FCA must also consult the Bank of England.”
- 34 (1) Section 137K (rules about resolution packs) is amended as follows.
- (2) In subsection (1), for paragraphs (a) and (b) substitute “the Treasury”.
- (3) After subsection (1) insert—
- “(1A) The FCA must also consult the Bank of England.”
- 35 (1) Section 138F (notification of rules) is amended as follows.
- (2) In subsection (1), for paragraphs (a) and (b) substitute “to the Treasury”.
- (3) After subsection (1) insert—

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- “(1A) The FCA must also give written notice to the Bank of England.”
- (4) In subsection (2) for “(1)(b)” substitute “(1A)”.
- 36 (1) Section 165 (regulators’ power to require information: authorised persons etc) is amended as follows.
- (2) In subsection (4)—
- (a) the words from “information” to the end become paragraph (a);
 - (b) at the end of that paragraph (a) insert “, and
 - (b) in relation to the exercise by the PRA of the powers conferred by subsections (1) and (3), information and documents reasonably required by the Bank of England in connection with the exercise by the Bank of its functions in pursuance of its financial stability objective.”
- (3) After subsection (8) insert—
- “(8A) Financial stability objective” means the objective set out in section 2A of the Bank of England Act 1998.”
- 37 (1) Section 165A (PRA’s power to require information: financial stability) is amended as follows.
- (2) In subsection (3)—
- (a) the words from “information” to the end become paragraph (a);
 - (b) at the end of that paragraph (a) insert “, and
 - (b) information and documents reasonably required by the Bank of England in connection with the exercise by the Bank of its functions in pursuance of its financial stability objective.”
- (3) After subsection (7) insert—
- “(7A) Financial stability objective” means the objective set out in section 2A of the Bank of England Act 1998.”
- 38 In section 187A(5A) (assessment: consultation by PRA with FCA) for “has been directed by the Bank of England under section 189(1A)” substitute “is required by section 189(1ZB)”.
- 39 (1) Section 189 (assessment procedure) is amended as follows.
- (2) In subsection (1A), for “But where” substitute “Where the appropriate regulator is the FCA and”.
- (3) After subsection (1A) insert—
- “(1ZB) Where the appropriate regulator is the PRA and—
- (a) the section 178 notice relates to an acquisition or increase of control over a credit institution, investment firm or banking group company, and
 - (b) the credit institution, investment firm or banking group company is one in relation to which the Bank of England is exercising its functions under sections 6A to 6C of the Banking Act 2009 or the special resolution regime under Part 1 of that Act,

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the PRA must act under this Part in a timely manner, and shorten the assessment period so far as reasonably practicable.”

- (4) In subsection (1B)—
- (a) for “subsection (1A)” substitute “subsections (1A) and (1ZB)”;
 - (b) omit the definition of “bank”;
 - (c) in the definition of “banking group company” for “that Act” substitute “the Banking Act 2009”.
- 40 In section 190(1A) (requests for further information), after “189(1A)” insert “or section 189(1ZB) applies”.
- 41 In section 192F(3) (consultation between regulators)—
- (a) for “either regulator” substitute “the FCA”;
 - (b) for “the regulator” substitute “it”.
- 42 In section 192I(1)(a) (statement of policy relating to directions) after “regulator and” insert “, where the issuing regulator is the FCA,”.
- 43 In section 285A(3)(a) (which introduces Part 1 of Schedule 17A) for “and the PRA” substitute “, and between the FCA and the PRA,”.
- 44 In section 345A (PRA disciplinary measures) omit subsection (6).
- 45 (1) Section 348 (restrictions on disclosure of confidential information) is amended as follows.
- (2) In subsection (5)(aa) for “PRA” substitute “Bank of England”.
 - (3) At the end insert—

“(8) In this section references to the Bank of England include the Bank acting in its capacity as the PRA.”
- 46 (1) Section 353A (restriction on disclosing information received from Bank) is amended as follows.
- (2) In subsection (1) for “A regulator” substitute “The FCA”.
 - (3) In subsection (3) for the words from “the regulator” to the end substitute “the FCA received the information from the Bank of England.”
 - (4) In subsection (4) for “regulator to which it disclosed the information” substitute “FCA”.
 - (5) In subsection (6)—
 - (a) omit paragraph (a);
 - (b) in paragraph (d) for “regulator” substitute “FCA”.
 - (6) In subsection (7)—
 - (a) in the words before paragraph (a) for “a regulator” substitute “the FCA”;
 - (b) in paragraphs (a)(i) and (b) for “regulator” substitute “FCA”.
 - (7) In subsection (8)—
 - (a) for “a regulator” substitute “the FCA”;
 - (b) for “that regulator” substitute “the FCA”.
 - (8) In subsection (9)—

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- (a) for “Each regulator” substitute “The FCA”;
 - (b) in paragraphs (b) and (c) for “regulator” substitute “FCA”.
- (9) After subsection (9) insert—
 - “(10) In this section references to the Bank of England include the Bank acting in its capacity as the PRA.”
- 47 In section 354B(2) (PRA’s duty to co-operate) for the words from “Bank” to the end substitute “FCA (but see section 3D)”.
- 48 Omit section 354C (PRA’s general duty to provide information to Bank).
- 49 In section 417(1) (definitions) after the definition of “authorised person” insert—
 - ““Bank of England” is to be read in accordance with section 2A(4) to (6);”.
- 50 (1) Schedule 1ZB (Prudential Regulation Authority) is amended as follows.
 - (2) In the shoulder note, for “2A” substitute “2AB.”
 - (3) In paragraph 1—
 - (a) omit the definition of “the Bank”;
 - (b) for “2A(6)” substitute “2AB(3)”.
 - (4) Omit paragraphs 2 to 16 and 18.
 - (5) In paragraph 19 (annual report)—
 - (a) in sub-paragraph (1), in the words before paragraph (a), for “Treasury” substitute “Chancellor of the Exchequer”;
 - (b) omit sub-paragraph (3)(a);
 - (c) in sub-paragraph (4)—
 - (i) for “Treasury” substitute “Chancellor of the Exchequer”;
 - (ii) for “them” substitute “the Chancellor”;
 - (d) after sub-paragraph (4) insert—
 - “(5) The Chancellor may comply with sub-paragraph (4) by laying a document containing a report under this paragraph together with a report under section 4 of the Bank of England Act 1998.”
 - (6) Omit paragraphs 22 to 26.
 - (7) In paragraph 31—
 - (a) in sub-paragraph (2) for “2A(6)” substitute “2AB(3)”;
 - (b) in sub-paragraph (4) for “2A(6)(d)” substitute “2AB(3)(d)”.
- 51 (1) Schedule 17A (exercise of Part 18 functions by Bank of England) is amended as follows.
 - (2) In paragraph 2(1) for “appropriate regulators” substitute “FCA”.
 - (3) In paragraph 17—
 - (a) in sub-paragraph (5), for the words from “the reference” to the end substitute “subsection (1)(a) required consultation with the FCA.”;
 - (b) omit sub-paragraph (6)(b).
 - (4) In paragraph 23—

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- (a) the existing text becomes sub-paragraph (1);
- (b) after that sub-paragraph insert—

“(2) Paragraph 9(2)(a) does not apply to the reference to the PRA in section 348(8).”

- (5) In paragraph 35(3)—
 - (a) at the end of paragraph (a) insert “and”;
 - (b) omit paragraph (b).

Banking Act 2009 (c. 1)

52 The Banking Act 2009 is amended as follows.

53 In section 83ZZ (co-operation)—

- (a) at the end of paragraph (a) insert “, and”;
- (b) omit paragraph (b).

54 (1) Section 83Z1 (delegation of enforcement functions) is amended as follows.

(2) In subsection (1)—

- (a) for “appropriate regulator” substitute “FCA”;
- (b) for “that regulator” substitute “the FCA”.

(3) Omit subsection (2)(b).

(4) In subsection (3), for “appropriate regulator” substitute “FCA”.

55 In section 89L(2)(c)(i) (application of section 348 of Financial Services and Markets Act 2000) omit inserted paragraph (ca).

56 (1) Section 96 (ground for applying for bank insolvency order) is amended as follows.

(2) In subsection (2)(a) omit “the PRA has informed the Bank of England that”.

(3) In subsection (3)(a), for the words from “has”, in the first place it occurs, to the end substitute “is satisfied that Condition 2 in section 7 is met, and”.

57 (1) Section 108 (removal of bank liquidator by court) is amended as follows.

(2) In subsection (2) omit “the Bank of England and”.

(3) In subsection (3) omit “the PRA and”.

58 In section 117(2)(a) (consents required for making of bank insolvency order) omit “the Bank of England and”.

59 (1) In section 129A (modifications for banks not regulated by PRA), the table in subsection (2) is amended as follows.

(2) In the entry for section 96, in column 2, for paragraphs (a) and (b) substitute—

- “(a) Read subsection (2)(a) as “the FCA has informed the Bank of England that the FCA is satisfied that Condition 1 in section 7 is met,”.
- (b) Treat the references to the PRA in subsection (3) as references to the FCA.

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- (ba) Read subsection (3)(a) as “the Bank of England—(i) has informed the FCA that it is satisfied that Condition 2 in section 7 is met, and (ii) has consented to the application.”.
- (3) In the entry for section 108, in column 2—
- (a) for paragraph (b) substitute—
- “ (b) Treat the reference in subsection (2) to the FCA as a reference to the Bank of England.”;
- (b) omit paragraph (c).
- (4) In the entry for section 117, in column 2, for paragraph (b) substitute—
- “ (b) Treat the reference in subsection (2) to the FCA as a reference to the Bank of England.”
- 60 Omit section 204(4)(ba) (Bank may disclose information to PRA).
- 61 Omit section 246(2)(b) (Bank may disclose information to PRA).
- 62 Before section 257 insert—

“256B Bank of England” and “Prudential Regulation Authority”

- (1) In this Act references to the Bank of England do not include the Bank acting in its capacity as the Prudential Regulation Authority.
- (2) For the interpretation of references to the Prudential Regulation Authority, see section 2A of the Financial Services and Markets Act 2000.”
- 63 In section 261 (index of defined terms), at the appropriate places in the table insert—
- | | |
|----------------------------------|-------|
| “Bank of England | 256B” |
| “Prudential Regulation Authority | 256B” |

Financial Services Act 2012 (c. 21)

- 64 The Financial Services Act 2012 is amended as follows.
- 65 In section 85(8) (definition of relevant functions) for “2A(6)” substitute “2AB(3)”.
- 66 (1) Section 117 (interpretation) is amended as follows.
- (2) In subsection (2), in the definition of “the PRA”, at the end insert “(and see section 2A of the Financial Services and Markets Act 2000 for the interpretation of references to the Prudential Regulation Authority)”.
- (3) After subsection (2) insert—
- “(2A) In this Act references to the Bank of England do not include the Bank acting in its capacity as the PRA.”

Financial Services (Banking Reform) Act 2013 (c. 33)

- 67 In section 98(5)(d) of the Financial Services (Banking Reform) Act 2013 (definition of relevant functions), for “2A(6)” substitute “2AB(3)”.

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Repeals

68 The following provisions are repealed.

<i>Short title and chapter</i>	<i>Extent of repeal</i>
Banking Act 2009 (c. 1)	Section 238(2).
Financial Services Act 2012 (c. 21)	Section 2(3). Section 3(3), (4)(a), (4)(b)(i) and (4)(d). In Schedule 2, paragraphs 1(13) and 2(7).
Financial Services (Banking Reform) Act 2013 (c. 33)	In Schedule 3, paragraph 17.