

Status: Point in time view as at 06/07/2016.

Changes to legislation: Financial Services and Markets Act 2000, Cross Heading: Constitution is up to date with all changes known to be in force on or before 24 April 2024. 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)

SCHEDULES

[^{F1}SCHEDULE 1ZA

THE FINANCIAL CONDUCT AUTHORITY

Textual Amendments

- F1** Schs. 1ZA, 1ZB substituted for Sch. 1 (24.1.2013 for specified purposes, 19.2.2013 for specified purposes, 1.4.2013 in so far as not already in force) by [Financial Services Act 2012 \(c. 21\)](#), s. 122(3), [Sch. 3](#) (with [Sch. 20](#)); S.I. 2013/113, art. 2(1)(b)(c)(2), Sch. Pts. 2, 3, 4; S.I. 2013/423, art. 3, Sch.

PART 1

GENERAL

Modifications etc. (not altering text)

- C1** Sch. 1ZA Pt. 1 modified by S.I. 2007/3298, reg. 4(4) (as amended) (1.4.2013) by [The Financial Services Act 2012 \(Consequential Amendments and Transitional Provisions\) Order 2013 \(S.I. 2013/472\)](#), [Sch. 2 para. 131\(c\)](#)

Constitution

- 2 (1) The constitution of the FCA must provide for the FCA to have a governing body.
- (2) The governing body must consist of—
- (a) a chair appointed by the Treasury,
 - (b) a chief executive appointed by the Treasury,
 - (c) the Bank's Deputy Governor for prudential regulation,
 - (d) 2 members appointed jointly by the Secretary of State and the Treasury, and
 - (e) at least one other member appointed by the Treasury.
- (3) The members referred to in sub-paragraph (2)(a), (c) and (d) are to be non-executive members.
- (4) In exercising its powers under sub-paragraph (2)(e) to appoint executive or non-executive members, the Treasury must secure that the majority of members of the governing body are non-executive members.
- (5) An employee of the FCA may not be appointed as a non-executive member.
- (6) In the following provisions of this Schedule an “appointed member” means a member of the governing body appointed under sub-paragraph (2)(a), (b), (d) or (e).

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- [
^{F2}2A
- (1) The term of office of a person appointed as chief executive under paragraph 2(2)(b) must not begin before—
 - (a) the person has, in connection with the appointment, appeared before the Treasury Committee of the House of Commons, or
 - (b) (if earlier) the end of the period of 3 months beginning with the day on which the appointment is made.
 - (2) Sub-paragraph (1) does not apply if the person is appointed as chief executive on an acting basis, pending a further appointment being made.
 - (3) The reference to the Treasury Committee of the House of Commons—
 - (a) if the name of that Committee is changed, is a reference to that Committee by its new name, and
 - (b) if the functions of that Committee (or substantially corresponding functions) become functions of a different Committee of the House of Commons, is to be treated as a reference to the Committee by which the functions are exercisable.
 - (4) Any question arising under sub-paragraph (3) is to be determined by the Speaker of the House of Commons.]

Textual Amendments

F2 Sch. 1ZA para. 2A inserted (6.7.2016) by [Bank of England and Financial Services Act 2016 \(c. 14\), ss. 18, 41\(3\); S.I. 2016/627, reg. 2\(1\)\(m\)](#)

- 3 (1) The terms of service of the appointed members are to be determined by the Treasury.
- (2) In the case of a member appointed under paragraph 2(2)(d), the Treasury must consult the Secretary of State about the terms of service.
- (3) Before appointing a person as an appointed member, the Treasury (or as the case requires the Treasury and the Secretary of State) must consider whether the person has any financial or other interests that could have a material effect on the extent of the functions as member that it would be proper for the person to discharge.
- (4) The terms of service of an appointed member (“M”) must be such as—
 - (a) to secure that M is not subject to direction by the Treasury or the Secretary of State,
 - (b) to require M not to act in accordance with the directions of any other person, and
 - (c) to prohibit M from acquiring any financial or other interests that have a material effect on the extent of the functions as member that it would be proper for M to discharge.
- (5) If an appointed member is an employee of the FCA, the member's interest as employee is to be disregarded for the purposes of sub-paragraphs (3) and (4)(c) and paragraph 4(1)(b).
- (6) A person who is an employee of the PRA is disqualified for appointment as an appointed member.
- (7) The FCA may pay expenses to the Bank's Deputy Governor for prudential regulation in respect of that person's service as a member.

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- 4 (1) The Treasury may remove an appointed member from office—
- (a) on the grounds of incapacity or serious misconduct, or
 - (b) on the grounds that in all the circumstances the member's financial or other interests are such as to have a material effect on the extent of the functions as member that it would be proper for the person to discharge.
- (2) Before removing from office a member appointed under paragraph 2(2)(d), the Treasury must consult the Secretary of State.
- 5 The validity of any act of the FCA is not affected—
- (a) by any vacancy in any of the offices mentioned in paragraph 2(2)(a), (b) or (c), or
 - (b) by a defect in the appointment of a person—
 - (i) to any of those offices, or
 - (ii) as an appointed member.
- 6 The Bank's Deputy Governor for prudential regulation must not take part in any discussion by or decision of the FCA which relates to—
- (a) the exercise of the FCA's functions in relation to a particular person, or
 - (b) a decision not to exercise those functions.]

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