

Status: Point in time view as at 29/08/2023.

Changes to legislation: Financial Services and Markets Act 2000, SCHEDULE 1ZB is up to date with all changes known to be in force on or before 13 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 1ZB

Section [^{F2}2AB]

THE PRUDENTIAL REGULATION 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.
- F2** Word in Sch. 1ZB shoulder note substituted (1.3.2017) by [Bank of England and Financial Services Act 2016 \(c. 14\)](#), s. 41(3), [Sch. 2 para. 50\(2\)](#) (with [Sch. 3](#)); S.I. 2017/43, reg. 2(g)

PART 1

GENERAL

Interpretation

1 In this Schedule—

^{F3}
...

“functions”, in relation to the PRA, means functions conferred on the PRA by or under any provision of this Act (see section [^{F4}2AB(3)] which affects the meaning of references to such functions).

Textual Amendments

- F3** Words in [Sch. 1ZB para. 1](#) omitted (1.3.2017) by virtue of [Bank of England and Financial Services Act 2016 \(c. 14\)](#), s. 41(3), [Sch. 2 para. 50\(3\)\(a\)](#) (with [Sch. 3](#)); S.I. 2017/43, reg. 2(g)
- F4** Word in [Sch. 1ZB para. 1](#) substituted (1.3.2017) by [Bank of England and Financial Services Act 2016 \(c. 14\)](#), s. 41(3), [Sch. 2 para. 50\(3\)\(b\)](#) (with [Sch. 3](#)); S.I. 2017/43, reg. 2(g)

Constitution

^{F5}₂

Textual Amendments

- F5** Sch. 1ZB paras. 2-16 omitted (1.3.2017) by virtue of [Bank of England and Financial Services Act 2016 \(c. 14\)](#), s. 41(3), [Sch. 2 para. 50\(4\)](#) (with [Sch. 3](#)); S.I. 2017/43, reg. 2(g)

^{F5}₃

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Textual Amendments

F5 Sch. 1ZB paras. 2-16 omitted (1.3.2017) by virtue of [Bank of England and Financial Services Act 2016](#) (c. 14), s. 41(3), **Sch. 2 para. 50(4)** (with Sch. 3); S.I. 2017/43, reg. 2(g)

F54

Textual Amendments

F5 Sch. 1ZB paras. 2-16 omitted (1.3.2017) by virtue of [Bank of England and Financial Services Act 2016](#) (c. 14), s. 41(3), **Sch. 2 para. 50(4)** (with Sch. 3); S.I. 2017/43, reg. 2(g)

F55

Textual Amendments

F5 Sch. 1ZB paras. 2-16 omitted (1.3.2017) by virtue of [Bank of England and Financial Services Act 2016](#) (c. 14), s. 41(3), **Sch. 2 para. 50(4)** (with Sch. 3); S.I. 2017/43, reg. 2(g)

Appointed members of governing body

F56

Textual Amendments

F5 Sch. 1ZB paras. 2-16 omitted (1.3.2017) by virtue of [Bank of England and Financial Services Act 2016](#) (c. 14), s. 41(3), **Sch. 2 para. 50(4)** (with Sch. 3); S.I. 2017/43, reg. 2(g)

F57

Textual Amendments

F5 Sch. 1ZB paras. 2-16 omitted (1.3.2017) by virtue of [Bank of England and Financial Services Act 2016](#) (c. 14), s. 41(3), **Sch. 2 para. 50(4)** (with Sch. 3); S.I. 2017/43, reg. 2(g)

F58

Textual Amendments

F5 Sch. 1ZB paras. 2-16 omitted (1.3.2017) by virtue of [Bank of England and Financial Services Act 2016](#) (c. 14), s. 41(3), **Sch. 2 para. 50(4)** (with Sch. 3); S.I. 2017/43, reg. 2(g)

F59

Textual Amendments

F5 Sch. 1ZB paras. 2-16 omitted (1.3.2017) by virtue of [Bank of England and Financial Services Act 2016](#) (c. 14), s. 41(3), **Sch. 2 para. 50(4)** (with Sch. 3); S.I. 2017/43, reg. 2(g)

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F⁵10

Textual Amendments

F5 Sch. 1ZB paras. 2-16 omitted (1.3.2017) by virtue of [Bank of England and Financial Services Act 2016](#) (c. 14), s. 41(3), [Sch. 2 para. 50\(4\)](#) (with Sch. 3); S.I. 2017/43, reg. 2(g)

F⁵11

Textual Amendments

F5 Sch. 1ZB paras. 2-16 omitted (1.3.2017) by virtue of [Bank of England and Financial Services Act 2016](#) (c. 14), s. 41(3), [Sch. 2 para. 50\(4\)](#) (with Sch. 3); S.I. 2017/43, reg. 2(g)

F⁵12

Textual Amendments

F5 Sch. 1ZB paras. 2-16 omitted (1.3.2017) by virtue of [Bank of England and Financial Services Act 2016](#) (c. 14), s. 41(3), [Sch. 2 para. 50\(4\)](#) (with Sch. 3); S.I. 2017/43, reg. 2(g)

F⁵13

Textual Amendments

F5 Sch. 1ZB paras. 2-16 omitted (1.3.2017) by virtue of [Bank of England and Financial Services Act 2016](#) (c. 14), s. 41(3), [Sch. 2 para. 50\(4\)](#) (with Sch. 3); S.I. 2017/43, reg. 2(g)

F⁵14

Textual Amendments

F5 Sch. 1ZB paras. 2-16 omitted (1.3.2017) by virtue of [Bank of England and Financial Services Act 2016](#) (c. 14), s. 41(3), [Sch. 2 para. 50\(4\)](#) (with Sch. 3); S.I. 2017/43, reg. 2(g)

Terms of service

F⁵15

Textual Amendments

F5 Sch. 1ZB paras. 2-16 omitted (1.3.2017) by virtue of [Bank of England and Financial Services Act 2016](#) (c. 14), s. 41(3), [Sch. 2 para. 50\(4\)](#) (with Sch. 3); S.I. 2017/43, reg. 2(g)

Arrangements for discharging functions

F⁵16

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Textual Amendments

- F5** Sch. 1ZB paras. 2-16 omitted (1.3.2017) by virtue of [Bank of England and Financial Services Act 2016](#) (c. 14), s. 41(3), **Sch. 2 para. 50(4)** (with Sch. 3); S.I. 2017/43, reg. 2(g)

Records

- 17 The PRA must maintain satisfactory arrangements for—
- (a) recording decisions made in the exercise of its functions, and
 - (b) the safe-keeping of those records which it considers ought to be preserved.

Budget

^{F6}18

Textual Amendments

- F6** Sch. 1ZB para. 18 omitted (1.3.2017) by virtue of [Bank of England and Financial Services Act 2016](#) (c. 14), s. 41(3), **Sch. 2 para. 50(4)** (with Sch. 3); S.I. 2017/43, reg. 2(g)

Annual report

- 19 (1) At least once a year the PRA must make a report to the [^{F7}Chancellor of the Exchequer] on—
- (a) the discharge of its functions,
 - (b) the extent to which, in its opinion, its objectives have been advanced,
[how it has complied with section 2H(1),]
 - ^{F8}(ba) [how it has complied with the statement of policy on panel appointments prepared under section 2NA in relation to the process for making appointments and the matters considered in determining who is appointed,]
 - (c) its consideration of the principles in section 3B ^{F10} ...,
 - (d) how it has complied with section 3D,
 - (e) any direction given under section 3I or 3J during the period to which the report relates,
 - (f) how it has complied with section 354B(1) so far as relating to co-operation with persons outside the United Kingdom, ^{F11} ...
[any engagement with the statutory panels of the FCA, the PRA or the
 - ^{F12}(fa) Payment Systems Regulator, and]
 - (g) such other matters as the Treasury may from time to time direct.
- [In the report the PRA must also report in general terms on—
- ^{F13}(1A) (a) the extent to which, in its opinion, ring-fenced bodies have complied with the ring-fencing provisions,
- (b) steps taken by ring-fenced bodies in order to comply with the ring-fencing provisions,
 - (c) steps taken by it to enforce the ring-fencing provisions,

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- (d) the extent to which ring-fenced bodies are carrying on the regulated activity of dealing in investments as principal (whether in the United Kingdom or elsewhere) in circumstances where as a result of an order under section 142D(2) that activity is not an excluded activity,
 - (e) the extent to which ring-fenced bodies are carrying on activities that would be excluded activities by virtue of an order under section 142D(4) but for an exemption or exclusion made by such an order,
 - (f) the extent to which ring-fenced bodies are doing things that they would be prohibited from doing by an order under section 142E but for an exemption made by such an order, and
 - (g) the extent to which ring-fenced bodies appear to it to have acted in accordance with any guidance which it has given to ring-fenced bodies and which relates to the operation of the ring-fencing provisions.
- (1B) In sub-paragraph (1A)—
- (a) references to “ring-fenced bodies” relate only to ring-fenced bodies that are PRA-authorized persons, and
 - (b) “the ring-fencing provisions” means ring-fencing rules and the duty imposed as a result of section 142G.]
- (2) [^{F14}Sub-paragraphs (1) and (1A) do not] require the inclusion in the report of any information whose publication would in the opinion of the PRA be against the public interest.
- (3) The report must be accompanied by—
- ^{F15}(a)
 - (b) such other reports or information, prepared by such persons, as the Treasury may from time to time direct.
- (4) The [^{F16}Chancellor of the Exchequer] must lay before Parliament a copy of each report received by [^{F17}the Chancellor] under this paragraph.
- [The Chancellor may comply with sub-paragraph (4) by laying a document containing
- ^{F18}(5) a report under this paragraph together with a report under section 4 of the Bank of England Act 1998.]
- [^{F19}(6) In this paragraph “statutory panel” has the meaning given in section 1RB(5).]

Textual Amendments

- F7** Words in Sch. 1ZB para. 19(1) substituted (1.3.2017) by [Bank of England and Financial Services Act 2016 \(c. 14\), s. 41\(3\), Sch. 2 para. 50\(5\)\(a\)](#) (with Sch. 3); S.I. 2017/43, reg. 2(g)
- F8** Sch. 1ZB para. 19(1)(ba) inserted (1.3.2014) by [Financial Services \(Banking Reform\) Act 2013 \(c. 33\), ss. 130\(3\)\(a\)\(i\)](#), 148(5); S.I. 2014/377, art. 2(1)(a), Sch. Pt. 1
- F9** Sch. 1ZB para. 19(1)(bb) inserted (29.8.2023) by [Financial Services and Markets Act 2023 \(c. 29\), ss. 37\(5\)\(a\)](#), 86(3); S.I. 2023/779, reg. 4(aa)
- F10** Words in Sch. 1ZB para. 19(1)(c) omitted (1.3.2014) by virtue of [Financial Services \(Banking Reform\) Act 2013 \(c. 33\), ss. 130\(3\)\(a\)\(ii\)](#), 148(5); S.I. 2014/377, art. 2(1)(a), Sch. Pt. 1
- F11** Word in Sch. 1ZB para. 19(1)(f) omitted (29.8.2023) by virtue of [Financial Services and Markets Act 2023 \(c. 29\), ss. 37\(5\)\(b\)](#), 86(3); S.I. 2023/779, reg. 4(aa)
- F12** Sch. 1ZB para. 19(1)(fa) inserted (29.8.2023) by [Financial Services and Markets Act 2023 \(c. 29\), ss. 37\(5\)\(c\)](#), 86(3); S.I. 2023/779, reg. 4(aa)

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- F13** Sch. 1ZB para. 19(1A)(1B) inserted (1.1.2019) by [Financial Services \(Banking Reform\) Act 2013 \(c. 33\)](#), **ss. 5(2)**, 148(5); S.I. 2018/1306, art. 2(e)
- F14** Words in Sch. 1ZB para. 19(2) substituted (1.1.2019) by [Financial Services \(Banking Reform\) Act 2013 \(c. 33\)](#), **ss. 5(3)**, 148(5); S.I. 2018/1306, art. 2(e)
- F15** Sch. 1ZB para. 19(3)(a) omitted (1.3.2017) by virtue of [Bank of England and Financial Services Act 2016 \(c. 14\)](#), s. 41(3), **Sch. 2 para. 50(5)(b)** (with Sch. 3); S.I. 2017/43, reg. 2(g)
- F16** Words in Sch. 1ZB para. 19(4) substituted (1.3.2017) by [Bank of England and Financial Services Act 2016 \(c. 14\)](#), s. 41(3), **Sch. 2 para. 50(5)(c)(i)** (with Sch. 3); S.I. 2017/43, reg. 2(g)
- F17** Words in Sch. 1ZB para. 19(4) substituted (1.3.2017) by [Bank of England and Financial Services Act 2016 \(c. 14\)](#), s. 41(3), **Sch. 2 para. 50(5)(c)(ii)** (with Sch. 3); S.I. 2017/43, reg. 2(g)
- F18** Sch. 1ZB para. 19(5) inserted (1.3.2017) by [Bank of England and Financial Services Act 2016 \(c. 14\)](#), s. 41(3), **Sch. 2 para. 50(5)(d)** (with Sch. 3); S.I. 2017/43, reg. 2(g)
- F19** Sch. 1ZB para. 19(6) inserted (29.8.2023) by [Financial Services and Markets Act 2023 \(c. 29\)](#), **ss. 37(6)**, 86(3); S.I. 2023/779, reg. 4(aa)

Modifications etc. (not altering text)

- C1** Sch. 1ZB para. 19 applied (14.11.2018) by [The Central Counterparties \(Amendment, etc., and Transitional Provision\) \(EU Exit\) Regulations 2018 \(S.I. 2018/1184\)](#), regs. 1(3), **25**
- C2** Sch. 1ZB para. 19 applied (with modifications) (30.9.2020) by [The Equivalence Determinations for Financial Services \(Amendment etc.\) \(EU Exit\) Regulations 2020 \(S.I. 2020/1055\)](#), regs. 1(2), **6(1)(2)(6)**
- C3** Sch. 1ZB para. 19(1) applied (with modifications) (1.4.2013) by [The Financial Services Act 2012 \(Transitional Provisions\) \(Miscellaneous Provisions\) Order 2013 \(S.I. 2013/442\)](#), arts. 1(3), **4(2)**

Consultation about annual report

- 20 (1) In relation to each report made under paragraph 19, the PRA must publish at the same time as the report an invitation to members of the public to make representations to the PRA, within the 3 months beginning with the date of publication—
- (a) about the report,
 - (b) about the way in which the PRA has discharged, or failed to discharge, its functions during the period to which the report relates, and
 - (c) about the extent to which, in their opinion, the PRA's objectives have been advanced [^{F20}[^{F21}including its secondary objectives under] section 2H and has considered the regulatory principles in section 3B] .
- (2) The invitation must be published in the way appearing to it to be best calculated to bring the invitation to the attention of the public.

Textual Amendments

- F20** Words in Sch. 1ZB para. 20(1)(c) substituted (1.3.2014) by [Financial Services \(Banking Reform\) Act 2013 \(c. 33\)](#), **ss. 130(3)(b)**, 148(5); S.I. 2014/377, art. 2(1)(a), Sch. Pt. 1
- F21** Words in Sch. 1ZB para. 20(1)(c) substituted (29.8.2023) by [Financial Services and Markets Act 2023 \(c. 29\)](#), **ss. 28(11)**, 86(3); S.I. 2023/779, reg. 4(s)

Report on consultation

- 21 (1) The PRA must publish a report about its consultation in accordance with paragraph 20.

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- (2) The report must contain an account, in general terms, of any representations received in pursuance of the invitation published under that paragraph.
- (3) The report must be published not later than 4 months after the date on which the report under paragraph 19 was published.

F^{F22} Other reports

Textual Amendments

F22 Sch. 1ZB para. 21A and cross-heading inserted (29.8.2023) by [Financial Services and Markets Act 2023 \(c. 29\)](#), [ss. 39\(3\)](#), [86\(3\)](#); [S.I. 2023/779](#), [reg. 4\(cc\)](#)

- 21A (1) The Treasury may (subject to this paragraph) at any time by direction require the PRA to publish a report containing information about—
- (a) any of the matters mentioned in paragraphs (a) to (f) of paragraph 19(1);
 - (b) such other matters that the direction may specify.
- (2) The Treasury may give a direction under this paragraph requiring information to be published only if the Treasury consider that—
- (a) the information is reasonably necessary for the purpose of reviewing and scrutinising the discharge of the PRA's functions, and
 - (b) other available information is not sufficient to meet that purpose.
- (3) Subject to sub-paragraph (4), the PRA must publish a report prepared under a direction given under this paragraph in such manner, and within such period, as the direction may require.
- (4) Nothing in this paragraph requires the inclusion in the report of any information whose publication would be against the public interest.
- (5) A direction under this paragraph may not—
- (a) require a report to be published more than once in each quarter;
 - (b) require the publication of information that is confidential information for the purposes of Part 23 (see section 348(2)).
- (6) The Treasury must consult the PRA before giving a direction under this paragraph.
- (7) In exercising the power under this paragraph, the Treasury must have regard to the desirability of minimising any adverse effect that the preparation of the report required in accordance with the direction may have on the exercise by the PRA of any of its other functions.
- (8) The Treasury must—
- (a) lay before Parliament a copy of a direction given under this paragraph, and
 - (b) publish the direction in such manner as the Treasury think fit.
- (9) A direction under this paragraph may be varied or revoked by the giving of a further direction.]

Accounts and audit

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Textual Amendments

F23 Sch. 1ZB paras. 22-26 omitted (1.3.2017) by virtue of Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 50(6)** (with Sch. 3); S.I. 2017/43, reg. 3(1) (with reg. 3(2)(3))

^{F23}23

Textual Amendments

F23 Sch. 1ZB paras. 22-26 omitted (1.3.2017) by virtue of Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 50(6)** (with Sch. 3); S.I. 2017/43, reg. 3(1) (with reg. 3(2)(3))

PART 2

STATUS

Status

^{F23}24

Textual Amendments

F23 Sch. 1ZB paras. 22-26 omitted (1.3.2017) by virtue of Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 50(6)** (with Sch. 3); S.I. 2017/43, reg. 3(1) (with reg. 3(2)(3))

Exemption from requirement for use of “limited” in name of PRA

^{F23}25

Textual Amendments

F23 Sch. 1ZB paras. 22-26 omitted (1.3.2017) by virtue of Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 50(6)** (with Sch. 3); S.I. 2017/43, reg. 3(1) (with reg. 3(2)(3))

^{F23}26

Textual Amendments

F23 Sch. 1ZB paras. 22-26 omitted (1.3.2017) by virtue of Bank of England and Financial Services Act 2016 (c. 14), s. 41(3), **Sch. 2 para. 50(6)** (with Sch. 3); S.I. 2017/43, reg. 3(1) (with reg. 3(2)(3))

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PART 3

PENALTIES AND FEES

Penalties

- 27 In determining its policy with respect to the amounts of penalties to be imposed by it under this Act, the PRA must take no account of the expenses which it incurs, or expects to incur, in discharging its functions.

Modifications etc. (not altering text)

- C4** Sch. 1ZB paras. 27-31 applied (with modifications) (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by [The Financial Services and Markets Act 2000 \(Markets in Financial Instruments\) Regulations 2017 \(S.I. 2017/701\)](#), reg. 1(2)(3)(4)(6), **Sch. 1 para. 26** (with reg. 7)
- C5** Sch. 1ZB paras. 27-31 applied (with modifications) (1.1.2019) by [The Securitisation Regulations 2018 \(S.I. 2018/1288\)](#), reg. 1, **Sch. 1 para. 12** (with Sch. 1 paras. 13, 14)

- 28 (1) The PRA must in respect of each of its financial years pay to the Treasury its penalty receipts after deducting its enforcement costs.
- (2) The PRA's "penalty receipts" in respect of a financial year are any amounts received by it during the year by way of penalties imposed under this Act.
- (3) The PRA's "enforcement costs" in respect of a financial year are the expenses incurred by it during the year in connection with—
- the exercise, or consideration of the possible exercise, of any of its enforcement powers in particular cases, or
 - the recovery of penalties imposed under this Act.
- (4) For this purpose the PRA's enforcement powers are—
- its powers under any of the provisions mentioned in section 133(7A),
 - its powers under section 56 (prohibition orders),
 - its powers under Part 25 of this Act (injunctions and restitution),
 - its powers under any other enactment specified by the Treasury by order,
 - its powers in relation to the investigation of relevant offences, and
 - its powers in England and Wales or Northern Ireland in relation to the prosecution of relevant offences.
- (5) "Relevant offences" are—
- offences under FSMA 2000,
 - offences under subordinate legislation made under that Act, and
 - any other offences specified by the Treasury by order.
- (6) The Treasury may give directions to the PRA as to how the PRA is to comply with its duty under sub-paragraph (1).
- (7) The directions may in particular—
- specify descriptions of expenditure that are, or are not, to be regarded as incurred in connection with either of the matters mentioned in sub-paragraph (3),

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- (b) relate to the calculation and timing of the deduction in respect of the PRA's enforcement costs, and
 - (c) specify the time when any payment is required to be made to the Treasury.
- (8) The directions may also require the PRA to provide the Treasury at specified times with information relating to—
- (a) penalties that the PRA has imposed under FSMA 2000, or
 - (b) the PRA's enforcement costs.
- (9) The Treasury must pay into the Consolidated Fund any sums received by them under this paragraph.

Modifications etc. (not altering text)

- C4** Sch. 1ZB paras. 27-31 applied (with modifications) (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by [The Financial Services and Markets Act 2000 \(Markets in Financial Instruments\) Regulations 2017 \(S.I. 2017/701\)](#), reg. 1(2)(3)(4)(6), **Sch. 1 para. 26** (with reg. 7)
- C5** Sch. 1ZB paras. 27-31 applied (with modifications) (1.1.2019) by [The Securitisation Regulations 2018 \(S.I. 2018/1288\)](#), reg. 1, **Sch. 1 para. 12** (with Sch. 1 paras. 13, 14)

- 29 (1) The PRA must prepare and operate a scheme (“the financial penalty scheme”) for ensuring that the amounts that, as a result of the deduction for which paragraph 28(1) provides, are retained by the PRA in respect of amounts paid to it by way of penalties imposed under this Act are applied for the benefit of PRA-authorized persons.
- (2) The financial penalty scheme may, in particular, make different provision with respect to different classes of PRA-authorized person.
- (3) The financial penalty scheme must ensure that those who have become liable to pay a penalty to the PRA in any financial year of the PRA do not receive any benefit under the scheme in the following financial year.
- (4) Up-to-date details of the financial penalty scheme must be set out in a document (“the scheme details”).

Modifications etc. (not altering text)

- C4** Sch. 1ZB paras. 27-31 applied (with modifications) (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by [The Financial Services and Markets Act 2000 \(Markets in Financial Instruments\) Regulations 2017 \(S.I. 2017/701\)](#), reg. 1(2)(3)(4)(6), **Sch. 1 para. 26** (with reg. 7)
- C5** Sch. 1ZB paras. 27-31 applied (with modifications) (1.1.2019) by [The Securitisation Regulations 2018 \(S.I. 2018/1288\)](#), reg. 1, **Sch. 1 para. 12** (with Sch. 1 paras. 13, 14)

- 30 (1) The scheme details must be published by the PRA in the way appearing to it to be best calculated to bring them to the attention of the public.
- (2) Before making the financial penalty scheme, the PRA must publish a draft of the proposed scheme in the way appearing to the PRA to be best calculated to bring it to the attention of the public.
- (3) The draft must be accompanied by notice that representations about the proposals may be made to the PRA within a specified time.

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- (4) Before making the scheme, the PRA must have regard to any representations made to it in accordance with sub-paragraph (3).
- (5) If the PRA makes the proposed scheme, it must publish an account, in general terms, of—
 - (a) the representations made to it in accordance with sub-paragraph (3), and
 - (b) its response to them.
- (6) If the scheme differs from the draft published under sub-paragraph (2) in a way which is, in the opinion of the PRA, significant, the PRA must (in addition to complying with sub-paragraph (5)) publish details of the difference.
- (7) The PRA must, without delay, give the Treasury a copy of any scheme details published by it.
- (8) The PRA may charge a reasonable fee for providing a person with a copy of—
 - (a) a draft published under sub-paragraph (2);
 - (b) scheme details.
- (9) Sub-paragraphs (2) to (6) and (8)(a) also apply to a proposal to alter or replace the financial penalty scheme.

Modifications etc. (not altering text)

- C4** Sch. 1ZB paras. 27-31 applied (with modifications) (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by [The Financial Services and Markets Act 2000 \(Markets in Financial Instruments\) Regulations 2017 \(S.I. 2017/701\)](#), reg. 1(2)(3)(4)(6), **Sch. 1 para. 26** (with reg. 7)
- C5** Sch. 1ZB paras. 27-31 applied (with modifications) (1.1.2019) by [The Securitisation Regulations 2018 \(S.I. 2018/1288\)](#), reg. 1, **Sch. 1 para. 12** (with Sch. 1 paras. 13, 14)

Fees

- 31 (1) The PRA may make rules providing for the payment to it of such fees, in connection with the discharge of any of its qualifying functions, as it considers will (taking account of its expected income from fees and charges provided for by any other provision of this Act) enable it—
- (a) to meet expenses incurred in carrying out its functions or for any incidental purpose,
 - (b) to repay the principal of, and pay any interest on, any relevant borrowing and to meet relevant commencement expenses, and
 - (c) to maintain adequate reserves.
- (2) The “qualifying functions” of the PRA are—
- (a) its functions under or as a result of this Act or any of the [F²⁴other enactments] mentioned in section [F²⁵2AB(3)], and
 - (b) its functions under or as a result of a [F²⁶qualifying provision] that is specified, or of a description specified, for the purposes of this sub-paragraph by the Treasury by order.
- (3) In sub-paragraph (1)(b)—

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“relevant borrowing” means any money borrowed by the PRA which has been used for the purpose of meeting expenses incurred in relation to its assumption of functions under this Act, and

“relevant commencement expenses” means expenses incurred by the PRA, the FCA or the Bank—

(a) in preparation for the exercise of functions by the PRA under this Act, or

(b) for the purpose of facilitating the exercise by the PRA of those functions or otherwise in connection with their exercise by it.

- (4) Neither section [F27 2AB(3)(d)] nor the definition of “functions” in paragraph 1 applies for the purposes of sub-paragraph (2).
- (5) For the purposes of sub-paragraph (3) it is irrelevant when the borrowing of the money, the incurring of the expenses or the assumption of functions took place (and, in particular, it is irrelevant if expenses were incurred by the FCA at a time when it was known as the Financial Services Authority).
- (6) In fixing the amount of any fee which is to be payable to the PRA, no account is to be taken of any sums which the PRA receives, or expects to receive, by way of penalties imposed by it under this Act.
- (7) Any fee which is owed to the PRA under any provision made by or under this Act may be recovered as a debt due to the PRA.

Textual Amendments

- F24** Words in Sch. 1ZB para. 31(2)(a) substituted (26.10.2018) by [The Financial Regulators Powers \(Technical Standards etc.\) \(Amendment etc.\) \(EU Exit\) Regulations 2018 \(S.I. 2018/1115\)](#), regs. 1(2), **7(10)**
- F25** Word in Sch. 1ZB para. 31(2) substituted (1.3.2017) by [Bank of England and Financial Services Act 2016 \(c. 14\)](#), s. 41(3), **Sch. 2 para. 50(7)(a)** (with Sch. 3); S.I. 2017/43, reg. 2(g)
- F26** Words in Sch. 1ZB para. 31(2)(b) substituted (31.12.2020) by [The Financial Services and Markets Act 2000 \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/632\)](#), regs. 1(3), **94**; 2020 c. 1, Sch. 5 para. 1(1)
- F27** Word in Sch. 1ZB para. 31(4) substituted (1.3.2017) by [Bank of England and Financial Services Act 2016 \(c. 14\)](#), s. 41(3), **Sch. 2 para. 50(7)(b)** (with Sch. 3); S.I. 2017/43, reg. 2(g)

Modifications etc. (not altering text)

- C4** Sch. 1ZB paras. 27-31 applied (with modifications) (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by [The Financial Services and Markets Act 2000 \(Markets in Financial Instruments\) Regulations 2017 \(S.I. 2017/701\)](#), reg. 1(2)(3)(4)(6), **Sch. 1 para. 26** (with reg. 7)
- C5** Sch. 1ZB paras. 27-31 applied (with modifications) (1.1.2019) by [The Securitisation Regulations 2018 \(S.I. 2018/1288\)](#), reg. 1, **Sch. 1 para. 12** (with Sch. 1 paras. 13, 14)

Services for which fees may not be charged

- 32 The power conferred by paragraph 31 may not be used to require—
- ^{F28}(a)
- (b) a fee to be paid by any person whose application for approval under section 59 has been granted.

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Textual Amendments

- F28** Sch. 1ZB para. 32(a) omitted (31.12.2020) by virtue of [The EEA Passport Rights \(Amendment, etc., and Transitional Provisions\) \(EU Exit\) Regulations 2018 \(S.I. 2018/1149\)](#), reg. 1(3), [Sch. para. 22](#) (with reg. 4); 2020 c. 1, Sch. 5 para. 1(1)

PART 4

MISCELLANEOUS

Exemption from liability in damages

- 33 (1) None of the following is to be liable in damages for anything done or omitted in the discharge, or purported discharge, of the PRA's functions—
- the PRA;
 - any person (“P”) who is, or is acting as, a member, officer or member of staff of the PRA;
 - any person who could be held vicariously liable for things done or omitted by P, but only in so far as the liability relates to P's conduct.
- [In sub-paragraph (1) the reference to the PRA's functions includes its functions under ^{F29}(1A) Part 5 of the Financial Services (Banking Reform) Act 2013 (regulation of payment systems).]
- (2) Anything done or omitted by a person mentioned in sub-paragraph (1)(a) or (b) while acting, or purporting to act, as a result of an appointment under any of sections 97, 166 to 169 [^{F30}, 284 and 377G] is to be taken for the purposes of sub-paragraph (1) to have been done or omitted in the discharge, or as the case may be purported discharge, of the PRA's functions.
- (3) Sub-paragraph (1) does not apply—
- if the act or omission is shown to have been in bad faith, or
 - so as to prevent an award of damages made in respect of an act or omission on the ground that the act or omission was unlawful as a result of section 6(1) of the Human Rights Act 1998.

Textual Amendments

- F29** Sch. 1ZB para. 33(1A) inserted (1.3.2014) by [Financial Services \(Banking Reform\) Act 2013 \(c. 33\)](#), ss. [109\(2\)](#), [148\(5\)](#); S.I. 2014/377, art. 2(1)(a), Sch. Pt. 1
- F30** Words in Sch. 1ZB para. 33(2) substituted (29.8.2023) by virtue of [Financial Services and Markets Act 2023 \(c. 29\)](#), s. 86(2)(e), [Sch. 12 para. 11](#)

Modifications etc. (not altering text)

- C6** Sch. 1ZB para. 33 applied (with modifications) (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by [The Financial Services and Markets Act 2000 \(Markets in Financial Instruments\) Regulations 2017 \(S.I. 2017/701\)](#), reg. 1(2)(3)(4)(6), [Sch. 1 para. 26](#) (with reg. 7)
- C7** Sch. 1ZB para. 33 modified by S.I. 2018/1149, reg. 65 (as inserted (1.3.2019) by [The Financial Services Contracts \(Transitional and Saving Provision\) \(EU Exit\) Regulations 2019 \(S.I. 2019/405\)](#), regs. 1(2), 3)

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Accredited financial investigators

- 34 For the purposes of this Act anything done by an accredited financial investigator within the meaning of the Proceeds of Crime Act 2002 who—
- (a) is, or is acting as, an officer of, or member of the staff of, the PRA, or
 - (b) is appointed by the PRA under section 167 or 168 to conduct an investigation,
- is to be treated as done in the exercise or discharge of a function of the PRA.

Amounts required by rules to be paid to the PRA

- 35 Any amount (other than a fee) which is required by rules to be paid to the PRA may be recovered as a debt due to the PRA.]

[^{F31}Engagement with Parliamentary Committees

Textual Amendments

F31 Sch. 1ZB paras. 36, 37 and cross-heading inserted (29.8.2023) by Financial Services and Markets Act 2023 (c. 29), ss. 38(3), 86(3) (with savings in The Financial Services and Markets Act 2023 (Commencement No. 2 and Transitional Provisions) Regulations 2023 (S.I. 2023/936), reg. 4); S.I. 2023/779, reg. 4(bb)

- 36 (1) This paragraph applies where the PRA issues a relevant consultation.
- (2) For the purposes of this paragraph the PRA issues a relevant consultation if it—
- (a) publishes a draft of proposed rules under section 138J,
 - (b) publishes a proposal under a duty imposed by another provision of this Act or by any other enactment, or
 - (c) publishes other proposals about the exercise of any of its general functions.
- (3) The PRA must, as soon as reasonably practicable after issuing the consultation, notify in writing the chair of each relevant Parliamentary Committee that the consultation has been issued.
- (4) The notification must specify the parts of the consultation (if any) that address the ways in which the proposals subject to consultation—
- (a) advance the PRA's objectives,
 - (b) demonstrate that the PRA has had regard to the regulatory principles in section 3B when preparing the proposals, and
 - (c) engage with matters to which the PRA must have regard under regulations made under section 138EA.
- (5) The reference in sub-paragraph (4)(a) to the PRA's objectives includes, in their application as secondary objectives, the competition objective and the competitiveness and growth objective (see section 2H).
- (6) The notification must also specify any other part of the consultation which the PRA considers should be drawn to the attention of the relevant Parliamentary Committees.
- (7) References in this paragraph to the relevant Parliamentary Committees are references to—
- (a) the Treasury Committee of the House of Commons,

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- (b) the Committee of the House of Lords which—
 - (i) is charged with responsibility by that House for the purposes of this paragraph, and
 - (ii) has notified the PRA that it is a relevant Parliamentary Committee for those purposes, and
 - (c) the Joint Committee of both Houses which—
 - (i) is charged with responsibility by those Houses for the purposes of this paragraph, and
 - (ii) has notified the PRA that it is a relevant Parliamentary Committee for those purposes.
- (8) References in this paragraph to the Treasury Committee of the House of Commons—
- (a) if the name of that Committee is changed, are references 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, are to be treated as references to the Committee by which the functions are exercisable.
- (9) Any question arising under sub-paragraph (8) is to be determined by the Speaker of the House of Commons.
- 37 (1) This paragraph applies where—
- (a) the PRA issues a public consultation, and
 - (b) a Committee of the House of Commons or the House of Lords, or a joint Committee of both Houses, has provided to the PRA representations in response to the consultation.
- (2) For the purposes of this paragraph, the PRA issues a public consultation if it publishes the draft of any proposals for the purpose of bringing the proposals to the attention of the public (whether or not under a duty to do so imposed by an enactment).
- (3) The PRA must give to the chair of the Committee concerned a written response to the representations.
- (4) The duty to respond imposed by sub-paragraph (3) applies only so far as the PRA would not be under a corresponding duty to do so imposed by another enactment.
- (5) The PRA is not required under sub-paragraph (3) to provide any information whose publication would in the opinion of the PRA be against the public interest.]

Status:

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