



# Bank of England and Financial Services Act 2016

## 2016 CHAPTER 14

### PART 2

#### FINANCIAL SERVICES

##### *The regulators*

#### **18 Appointment of Financial Conduct Authority chief executive**

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

- “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.”

## **19 Treasury recommendations to Financial Conduct Authority**

In Chapter 1 of Part 1A of the Financial Services and Markets Act 2000 (the Financial Conduct Authority), after section 1J insert—

### *“Recommendations*

#### **1JA Recommendations by Treasury in connection with general duties**

- (1) The Treasury may at any time by notice in writing to the FCA make recommendations to the FCA about aspects of the economic policy of Her Majesty’s Government to which the FCA should have regard when considering—
  - (a) how to act in a way which is compatible with its strategic objective,
  - (b) how to advance one or more of its operational objectives,
  - (c) how to discharge the duty in section 1B(4) (duty to promote effective competition in the interests of consumers),
  - (d) the application of the regulatory principles in section 3B, and
  - (e) the matter mentioned in section 1B(5)(b) (importance of taking action to minimise the extent to which it is possible for a business to be used for a purpose connected with financial crime).
- (2) The Treasury must make recommendations under subsection (1) at least once in each Parliament.
- (3) The Treasury must—
  - (a) publish in such manner as they think fit any notice given under subsection (1), and
  - (b) lay a copy of it before Parliament.”

## **20 Regulatory principles: diversity**

- (1) Section 3B of the Financial Services and Markets Act 2000 (regulatory principles to be applied by both regulators) is amended as follows.
- (2) In subsection (1)(f) after “persons” insert “(including different kinds of person such as mutual societies and other kinds of business organisation)”.
- (3) After subsection (3) insert—

“(3A) Mutual society” has the same meaning as in section 138K.”