
EXPLANATORY NOTE

(This note is not part of the Order)

This Order brings into force certain provisions of the Financial Services Act 2012 (c.21) (“the Act”) into force. This is the first commencement order to be made under the Act.

The provisions listed in Part 1 of the Schedule to this Order are brought into force for all purposes on 24th January 2013. Those provisions confer powers on the Treasury to make subordinate legislation or contain definitions of expressions used in the Act.

The provisions listed in Part 2 of the Schedule are brought into force on 24th January 2013 for the purpose of the Treasury making orders and regulations.

The provisions in Part 3 of the Schedule are brought into force on 24th January 2013 for the specific purposes indicated in this Part of the Schedule. The provisions commenced by this Part of the Schedule include powers for the Financial Conduct Authority and Prudential Regulation Authority (“the new regulators”) to make rules and give guidance, to make codes of practice and to issue statements of policy. In particular, section 24 of the Act is commenced on 24th January 2013 for the purpose of making rules. Such rules may not come into force until the date on which section 24 is brought into force for all purposes. This does not necessarily mean that the new regulators will exercise all powers conferred by section 24 prior to the date on which section 24 and the other the provisions of Part 2 of the Act which relate to the new regulators come into force for all purposes. In particular, some of the powers conferred by section 24 cannot be exercised until other legislation is enacted. For example, rules cannot be made under section 137C of the Financial Services and Markets Act 2000 as inserted by section 24 of the Act until certain activities in relation to credit are specified by the Treasury as a “regulated activity” for the purposes of the 2000 Act.

The provisions in Part 4 of the Schedule are brought into force on 19th February 2013 for the purposes of making appointments.

This Order will have no effect on the costs of business and the voluntary sector independent of the provisions this Order brings into force. For that reason, no impact assessment has been produced for this instrument.