
STATUTORY INSTRUMENTS

2013 No. 644

The Bank of England Act 1998 (Macro-prudential Measures) Order 2013

Citation, commencement and interpretation

1.—(1) This Order may be cited as the Bank of England Act 1998 (Macro-prudential Measures) Order 2013 and comes into force on 1st April 2013.

(2) In this Order—

^{F1}
...

“commercial property exposure” means an exposure which is (to any extent) secured on land or other immoveable property being used primarily for commercial or non-residential purposes; “consolidated basis”, in relation to a measure, means on the basis that the undertaking to which the measure applies and one or more other undertakings are to be treated as a single undertaking;

“credit institution” has the meaning given by [^{F2}Article 4(1)(1) of Regulation (EU) 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012];

“excluded deposit taker” means—

- (a) a credit union within the meaning of section 31 of the Credit Unions Act 1979 ^{M1}, or
- (b) a person with permission under Part 4A of FSMA 2000 ^{M2} to effect or carry out contracts of insurance as principal,

“exposure” means an asset or off-balance sheet item;

“financial sector entity” means any of the following—

- (c) a credit institution,
- (d) an investment firm,
- (e) [^{F3}a financial institution within the meaning of Article 4(1)(26) of the capital requirements regulation,]
- (f) an ancillary services undertaking (meaning an undertaking the principal activity of which consists in owning or managing property, managing data-processing services or any other similar activity which is ancillary to the principal activity of one or more credit institutions, investment firms, insurance undertakings or reinsurance undertakings),
- (g) an insurance undertaking,
- (h) a third country insurance undertaking,
- (i) a reinsurance undertaking,
- (j) a third country reinsurance undertaking, or
- (k) an insurance holding company (meaning an undertaking which is not a mixed financial holding company the main business of which is to acquire and hold participating interests in subsidiary undertakings which are exclusively or mainly insurance undertakings,

reinsurance undertakings, third country insurance undertakings or third country reinsurance undertakings, and which has at least one subsidiary undertaking which is an insurance undertaking or a reinsurance undertaking),

“financial sector exposure” means—

- (l) an exposure under, or which relates to, a contract with a financial sector entity, or
- (m) an exposure to, or which relates to, the securities or other instruments issued by such an entity,

F4 ...

[^{F5}“FSMA cost benefit analysis” means—

- (a) an analysis of the costs (including the costs to business activity and the impact on economic growth) and the benefits of any change in rules made pursuant to Part 9A [^{F6}or section 192XA] of the Financial Services and Markets Act 2000 ^{M3}; and
- (b) where those costs and benefits can reasonably be estimated, an estimate of those costs and benefits;]

[^{F7}“holding company” means a financial holding company or a mixed financial holding company;]

[^{F8}“insurance undertaking” has the meaning given in section 417(1) of the Financial Services and Markets Act 2000;]

“investment firm” has the meaning given by section 424A of FSMA 2000 ^{M4};

F9 ...

F10 ...

“participating interest” has the meaning given by section 421A of FSMA 2000 ^{M5};

“PRA-authorized person” has the meaning given by section 2B of FSMA 2000 ^{M6};

F11 ...

[^{F12}“reinsurance undertaking” has the meaning given in section 417(1) of the Financial Services and Markets Act 2000;]

“requirement” includes a requirement to refrain from taking action;

“residential property exposure” means an exposure which is (to any extent) secured on land or other immoveable property being used primarily for residential purposes;

“solo basis”, in relation to a measure, means on the basis of the situation of the undertaking to which the measure applies;

[^{F13}“solvency 2 directive” means Directive [2009/138/EC](#) of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II);]

“subsidiary undertaking” has the meaning given by section 420 of FSMA 2000;

[^{F14}“third country insurance undertaking” has the meaning given in regulation 2(1) of the Solvency 2 Regulations 2015;]

[^{F15}“third country reinsurance undertaking” means an undertaking which, if its head office were in the United Kingdom, would—

- (a) require permission under Part 4A of the Financial Services and Markets Act 2000 to carry out regulated activities relating to reinsurance, and

(b) immediately before IP completion day, have required authorisation as a reinsurance undertaking in accordance with Article 14 of the solvency 2 directive;]

“UK bank” means a UK institution which has permission under Part 4A of FSMA 2000 to carry on the regulated activity of accepting deposits but which is not an excluded deposit taker;

“UK institution” means an institution which is incorporated in, or formed under the law of, any part of the United Kingdom;

“UK investment firm” means a UK institution which—

(n) has permission under Part 4A of FSMA 2000,

(o) is a PRA-authorised person by virtue of a designation under article 3 of the Financial Services and Markets Act 2000 (PRA-regulated Activities) Order 2013^{M7}, and

(p) is an investment firm.

Textual Amendments

- F1** Words in art. 1(2) omitted (1.1.2014) by virtue of The Capital Requirements Regulations 2013 (S.I. 2013/3115), reg. 1(2), **Sch. 2 para. 79(a)**
- F2** Words in art. 1(2) substituted (1.1.2014) by The Capital Requirements Regulations 2013 (S.I. 2013/3115), reg. 1(2), **Sch. 2 para. 79(b)**
- F3** Words in art. 1(2) substituted (1.1.2022) by The Financial Services Act 2021 (Prudential Regulation of Credit Institutions and Investment Firms) (Consequential Amendments and Miscellaneous Provisions) Regulations 2021 (S.I. 2021/1376), regs. 1(3), **14**
- F4** Words in art. 1(2) omitted (1.1.2016) by virtue of The Solvency 2 Regulations 2015 (S.I. 2015/575), reg. 1(2), **Sch. 2 para. 35(2)(a)(i)**
- F5** Words in art. 1(2) inserted (16.12.2016) by The Bank of England Act 1998 (Macro-prudential Measures) Order 2016 (S.I. 2016/1240), arts. 1, **5(2)**
- F6** Words in art. 1(2) inserted (21.7.2021) by The Bank of England Act 1998 (Macro-prudential Measures) (Amendment) Order 2021 (S.I. 2021/869), arts. 1(2), **2(2)(a)**
- F7** Words in art. 1(2) inserted (21.7.2021) by The Bank of England Act 1998 (Macro-prudential Measures) (Amendment) Order 2021 (S.I. 2021/869), arts. 1(2), **2(2)(b)**
- F8** Words in art. 1(2) substituted (31.12.2020) by The Bank of England (Amendment) (EU Exit) Regulations 2018 (S.I. 2018/1297), regs. 1(2), **11(2)(b)**; 2020 c. 1, Sch. 5 para. 1(1)
- F9** Words in art. 1(2) omitted (1.1.2016) by virtue of The Solvency 2 Regulations 2015 (S.I. 2015/575), reg. 1(2), **Sch. 2 para. 35(2)(a)(ii)**
- F10** Words in art. 1(2) omitted (21.7.2021) by virtue of The Bank of England Act 1998 (Macro-prudential Measures) (Amendment) Order 2021 (S.I. 2021/869), arts. 1(2), **2(2)(c)**
- F11** Words in art. 1(2) omitted (1.1.2016) by virtue of The Solvency 2 Regulations 2015 (S.I. 2015/575), reg. 1(2), **Sch. 2 para. 35(2)(a)(iii)**
- F12** Words in art. 1(2) substituted (31.12.2020) by The Bank of England (Amendment) (EU Exit) Regulations 2018 (S.I. 2018/1297), regs. 1(2), **11(2)(d)**; 2020 c. 1, Sch. 5 para. 1(1)
- F13** Words in art. 1(2) inserted (1.1.2016) by The Solvency 2 Regulations 2015 (S.I. 2015/575), reg. 1(2), **Sch. 2 para. 35(2)(b)**
- F14** Words in art. 1(2) substituted (31.12.2020) by The Bank of England (Amendment) (EU Exit) Regulations 2018 (S.I. 2018/1297), regs. 1(2), **11(2)(e)**; 2020 c. 1, Sch. 5 para. 1(1)
- F15** Words in art. 1(2) substituted (31.12.2020) by The Bank of England (Amendment) (EU Exit) Regulations 2018 (S.I. 2018/1297), regs. 1(2), **11(2)(f)** (as amended by S.I. 2020/1301, regs. 1, 3, **Sch. para. 7(b)**); 2020 c. 1, Sch. 5 para. 1(1)

Marginal Citations

- M1** 1979 c.34.
- M2** Inserted by section 11 of the Financial Services Act 2012.

Changes to legislation: *There are currently no known outstanding effects for the The Bank of England Act 1998 (Macro-prudential Measures) Order 2013, Section 1. (See end of Document for details)*

- M3** Inserted by section 24 of the Financial Services Act 2012.
- M4** Inserted by SI 2006/2975; amended by SI 2007/126.
- M5** Inserted by SI 2008/948.
- M6** Inserted by section 6 of the Financial Services Act 2012.
- M7** SI 2013/556.

Changes to legislation:

There are currently no known outstanding effects for the The Bank of England Act 1998 (Macro-prudential Measures) Order 2013, Section 1.