

EXPLANATORY MEMORANDUM TO
THE FINANCIAL SERVICES (BANKING REFORM) ACT 2013 (TRANSITIONAL
PROVISION) ORDER 2014

2014 No. 378

- 1.** This explanatory memorandum has been prepared by HM Treasury and is laid before Parliament by Command of Her Majesty.

This memorandum contains information for the Joint Committee on Statutory Instruments.

2. Purpose of the instrument

2.1 The purpose of the instrument is to ensure that the requirement that HM Treasury approve the appointment of a chief executive of the scheme manager of the Financial Services Compensation Scheme introduced by section 16 of the Financial Services (Banking Reform) Act 2013 is deemed to have been satisfied in relation to the existing chief executive.

3. Matters of special interest to the Joint Committee on Statutory Instruments

3.1 None

4. Legislative Context

4.1 Section 16 of the Financial Services (Banking Reform) Act 2013 amends section 212 of the Financial Services and Markets Act 2000 to require the scheme manager of the Financial Services Compensation Scheme provided for in Part 15 of that Act to have a chief executive, who is to be the accounting officer for the scheme manager. The chief executive must be appointed by the regulators, and there is a requirement that the Treasury should approve any appointment or removal of the chief executive from office.

5. Territorial Extent and Application

5.1 This instrument applies to all of the United Kingdom.

6. European Convention on Human Rights

As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

7. Policy background

- What is being done and why

7.1 The scheme manager of the Financial Services Compensation Scheme already has a chief executive, appointed by the regulator. In order to ensure that no question arises as to the validity of that appointment after section 16 of the Financial Services (Banking Reform) Act 2013 comes into force, it is necessary to make transitional provision. This Order will ensure that the new requirement for HM Treasury to approve the appointment of the chief executive is treated as being satisfied in relation to the existing chief executive.

- Consolidation

7.2 As the Order only makes transitional provision which is temporary in effect, no consolidation is required.

8. Consultation outcome

8.1 No consultation has been conducted in relation to this Order.

9. Guidance

9.1 No guidance will be issued in relation to this Order

10. Impact

10.1 There will be no impact on business, charities or voluntary bodies.

10.2 There will be no impact on the public sector.

10.3 An Impact Assessment has not been prepared for this instrument.

11. Regulating small business

11.1 The legislation does not apply to small business.

12. Monitoring & review

12.1 The provision made is a transitional provision which will cease to have effect when the current chief executive of the Financial Services Compensation Scheme leaves office. No provision has been made for its monitoring or review.

13. Contact

Nicola Pittam at HM Treasury Tel: 020 7270 4422 or email:
nicola.pittam@hmtreasury.gsi.gov.uk can answer any queries regarding the instrument.