
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations make amendments to primary and subordinate legislation in consequence of the Bank of England and Financial Services Act 2016 (“the 2016 Act”). They also make minor amendments in consequence of the Financial Services Act 2012 (“the 2012 Act”).

The 2016 Act ends the status of the Prudential Regulation Authority (“the PRA”) as a subsidiary of the Bank of England (“the Bank”) by making the Bank the PRA. The 2016 Act also creates the Prudential Regulation Committee, through which the Bank must exercise its functions as the PRA. References to the PRA in the 2016 Act or any other enactment are references to the Bank acting as the PRA through its Prudential Regulation Committee and not the Bank acting in any other capacity.

These Regulations make consequential amendments to references to the Bank and the PRA in various enactments to account for the change in status of the PRA. In some cases references to the Bank are amended to exclude the Bank when it is acting as the PRA to reflect an existing difference in the way the enactment is intended to apply to the Bank and the PRA. In other cases, references to the PRA are removed and references to the Bank are clarified as including the Bank when acting as the PRA to reflect that the enactment should now apply to the Bank including its new functions as the PRA without distinction. Other amendments are included to remove ambiguity over how a reference to the Bank should be interpreted.

Regulation 2 gives effect to the Schedule to these Regulations. Part 1 of the Schedule makes amendments to primary legislation, Part 2 of the Schedule makes amendments to subordinate legislation.

Paragraphs 7, 9 and 14 of Part 1 of the Schedule make amendments in consequence of the 2012 Act, or in consequence of both the 2012 Act and the 2016 Act. The 2012 Act replaced the Financial Services Authority with the Financial Conduct Authority and the PRA, and introduced new enforcement functions for the Bank, it also made amendments to the Financial Services and Markets Act 2000. The amendments made by these Regulations in consequence of the 2012 Act replace out-of-date references to the Financial Services Authority and update references to certain provisions of the Financial Services and Markets Act 2000 which the 2012 Act amended.

A full impact assessment has not been produced for this instrument as no, or no significant, impact on the private, voluntary or public sectors is foreseen.

The Explanatory Memorandum is published alongside the instrument on www.legislation.gov.uk.