

*These notes refer to the Financial Services Act 2012
(c.21) which received Royal Assent on 19 December 2012*

FINANCIAL SERVICES ACT 2012

EXPLANATORY NOTES

COMMENTARY

Part 1 – Bank of England

Section 2: The Bank's financial stability objective

22. Under section 2A of the BoE Act, an objective of the Bank is to contribute to protecting and enhancing the stability of the financial systems of the United Kingdom. In pursuing that objective, the Bank is required to work with other relevant bodies including the Treasury and the FSA.
23. *Subsection (2)* amends the Bank's financial stability objective in section 2A: the new objective is to protect and enhance the stability of the financial system of the United Kingdom. This change reflects the enhanced role that the Bank has in relation to the protection of financial stability. The amendments to section 2A also align the terminology in the BoE Act with the terminology used in FSMA. *Subsection (3)* makes a consequential amendment, replacing the reference to the Bank aiming to work with the FSA with a reference to working with the new regulators. *Subsection (4)* removes the existing requirement for the Bank's financial stability strategy, which is replaced by new section 9A of the BoE Act inserted by section 4.