

FINANCIAL SERVICES ACT 2012

EXPLANATORY NOTES

COMMENTARY

Part 2 - Amendments of Financial Services and Markets Act 2000

Regulated activities

Section 9: Designation of activities requiring prudential regulation by PRA

185. *Section 9* inserts *new sections 22A and 22B*. *New section 22A* provides for the Treasury to specify, by order, the activities that are “PRA-regulated activities” for the purposes of FSMA. The order will determine the scope of regulation by the PRA and the persons whom the PRA will regulate.
186. *Subsection (2)* sets out further provision as to what an order under *section 22A* may include. In particular, such an order may confer powers on the Treasury, FCA or PRA.
187. The procedure for orders under *new section 22A* reflects that for orders made under *section 22* (regulated activities) as amended by *section 8*. *New section 22B* provides that the first order under *new section 22A* must be laid before Parliament in draft and approved by each House of Parliament before being made unless the order contains a statement by the Treasury as to its urgency whereupon the order may be laid before Parliament after being made but ceases to have effect unless approved by each House of Parliament within 28 sitting days. The same procedure is to apply to any subsequent order which, in the Treasury’s opinion, makes a regulated activity into a PRA-regulated activity or removes a regulated activity from the list of PRA-regulated activities or which amends primary legislation. Other orders made under *section 22A* are subject to the negative procedure.
188. A definition of “PRA-regulated activity” is inserted into *section 417 FSMA* (definitions) by *section 48* (see below).