



# Financial Services Act 2012

## 2012 CHAPTER 21

### PART 4

#### COLLABORATION BETWEEN TREASURY AND BANK OF ENGLAND, FCA OR PRA

#### **65 Memorandum of understanding: crisis management**

- (1) The Treasury (on the one hand) and the Bank of England and the PRA (on the other) must prepare and maintain a memorandum describing in general terms how they intend to comply with section 64 in relation to the circumstances mentioned in subsection (2) of that section.
- (2) The memorandum must, in particular, make provision about—
  - (a) what the Treasury and the Bank regard as a material risk for the purposes of section 58(1);
  - (b) steps to be taken when the Bank has given a public funds notification;
  - (c) the respective roles of the Treasury, the Bank and the PRA, in cases where the Bank has given a public funds notification, in relation to the consideration and assessment of, and taking of, steps to resolve or reduce, threats to the stability of the UK financial system;
  - (d) how the Treasury, the Bank and the PRA will co-operate in fulfilling those roles;
  - (e) the use by the Treasury of their power under section 61;
  - (f) matters connected with the Bank's compliance with a direction under that section;
  - (g) the obtaining and sharing of information.
- (3) The memorandum may make provision about such other matters as may be agreed between the Treasury, the Bank and the PRA, which must be matters that—
  - (a) relate to the stability of the UK financial system or the regulation of financial services, and
  - (b) affect the public interest.

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*Status: This is the original version (as it was originally enacted).*

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- (4) The memorandum need not make provision about the relationship between the Bank and the PRA.
- (5) The Treasury, the Bank of England and the PRA may, with the agreement of a body falling within subsection (6), include in the memorandum provisions relating to co-operation between any of them and that body in relation to matters falling within subsection (3)(a) and (b).
- (6) The bodies falling within this subsection are—
  - (a) the FCA;
  - (b) the scheme manager of the Financial Services Compensation Scheme;
  - (c) any other body exercising functions that relate to the stability of the UK financial system or the regulation of financial services.
- (7) The Treasury must—
  - (a) lay before Parliament a copy of the memorandum and any revised memorandum, and
  - (b) publish the memorandum as currently in force in such manner as they think fit.