



Financial Services (Banking Reform) Act 2013

CHAPTER 33

FINANCIAL SERVICES (BANKING REFORM) ACT 2013

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Changes to legislation: There are currently no known outstanding effects for the Financial Services (Banking Reform) Act 2013. (See end of Document for details)

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SCHEDULE 1 — Ring-fencing transfer schemes

- 1 Part 7 of FSMA 2000 (control of business transfer schemes)...
- 2 For “the authorised person concerned”, wherever occurring in Part 7...
- 3 (1) Section 103A (meaning of “the appropriate regulator”) is amended...
- 4 In section 106 (banking business transfer schemes), at the end...
- 5 After section 106A insert— Ring-fencing transfer scheme (1) A scheme is a ring-fencing transfer scheme if it—...
- 6 (1) Section 107 (application for order sanctioning transfer scheme) is...
- 7 For the heading to section 109 substitute “ Scheme reports:...
- 8 After section 109 insert— Scheme reports: ring-fencing transfer schemes (1) An application under section 106B in respect of a...
- 9 (1) Section 110 (right to participate in proceedings) is amended...
- 10 (1) Section 111 (sanction of court for business transfer schemes)...
- 11 In section 112 (effect of order sanctioning business transfer scheme),...
- 12 In section 112A (rights to terminate etc.), in subsection (1),...
- 13 In Schedule 12 (transfer schemes: certificates) after Part 2A insert—...

SCHEDULE 2 — Bail-in stabilisation option

PART 1 — AMENDMENTS OF BANKING ACT 2009

- 1 The Banking Act 2009 is amended as follows.

New stabilisation option: bail-in

- 2 After section 12 insert— Bail-in option (1) The third stabilisation option is exercised by the use...
- 3 After section 8 insert— Specific condition: bail-in (1) The Bank of England may exercise a stabilisation power...

Further provision about the bail-in option

- 4 After section 48A insert— Bail-in option Special bail-in provision (1) “Special bail-in provision”, in relation to a bank, means...

Transfers of property

- 5 (1) After section 41 insert— Transfer of property subsequent to...

Compensation

- 6 (1) In section 49 (orders)— (a) in subsection (1), for...

Changes to legislation: There are currently no known outstanding effects for the Financial Services (Banking Reform) Act 2013. (See end of Document for details)

Groups

- 7 (1) After section 81B insert— Bail-in option (1) The Bank of England may exercise a stabilisation power...

Banks regulated by the Financial Conduct Authority

- 8 In section 83A (modifications of Part 1 as it applies...

Recognised central counterparties

- 9 In section 89B (application of Part 1 of the Act...

Insolvency proceedings

- 10 In section 120 (notice to Prudential Regulation Authority of preliminary...

State aid

- 11 After section 256 insert— State aid State aid (1) This section applies where— (a) the Treasury are of...

Other amendments of the Act

- 12 (1) Section 1 (overview) is amended as follows.
 13 In section 13 (temporary public ownership), in subsection (1), for...
 14 In section 17 (share transfers: effect)— (a) in subsection (1),...
 15 In section 18 (share transfers: continuity), after subsection (5) insert—...
 16 In section 44 (reverse property transfer)— (a) in subsection (2),...
 17 In section 63 (general continuity obligation: property transfers), in subsection...
 18 In section 66 (general continuity obligation: share transfers)—
 19 In section 67 (special continuity obligation: share transfers), in subsection...
 20 In section 68 (continuity obligations: onward share transfers), in subsection...
 21 In section 71 (pensions), in subsection (1)—
 22 In section 72 (enforcement), in subsection (1)—
 23 In section 73 (disputes), in subsection (1)—
 24 In section 74 (tax), in subsection (6), for “or 45”...
 25 After section 80 insert— Transfer for bail-in purposes: report (1) This section applies where the Bank of England makes...
 26 In section 81A (accounting information to be included in reports...
 27 In section 85 (temporary public ownership), in subsection (1), for...
 28 In section 136 (overview), in the Table in subsection (3),...
 29 After section 152 insert— Property transfer from transferred institution (1) This section applies where the Bank of England—
 30 In section 220 (insolvency etc), after subsection (4) insert—
 31 In section 259 (statutory instruments)— (a) in the Table in...
 32 In section 261 (index of defined terms), in the Table,...

PART 2 — MODIFICATION OF INVESTMENT BANK SPECIAL ADMINISTRATION REGULATIONS 2011

- 33 (1) This paragraph modifies the application of the Investment Bank...

SCHEDULE 3 — Consequential amendments relating to Part 4

Changes to legislation: There are currently no known outstanding effects for the
Financial Services (Banking Reform) Act 2013. (See end of Document for details)

Financial Services and Markets Act 2000

- 1 (1) Section 59 of FSMA 2000 (approval for particular arrangements)...
- 2 (1) Section 59A of FSMA 2000 (specifying functions as controlled...
- 3 (1) Section 63 of FSMA 2000 (withdrawal of approval) is...
- 4 In section 63A of FSMA 2000 (power to impose penalties),...
- 5 (1) Section 66 of FSMA 2000 (disciplinary powers) is amended...
- 6 (1) Section 67 of FSMA 2000 (disciplinary measures: procedure and...
- 7 In section 69 of FSMA 2000 (statement of policy), in...
- 8 In section 138A of FSMA 2000 (modification or waiver of...
- 9 In section 138D of FSMA 2000 (actions for damages), in...
- 10 In section 140A of FSMA 2000 (interpretation), in the definition...
- 11 In section 347 of FSMA 2000 (the record of authorised...
- 12 In section 387 of FSMA 2000 (warning notices), in subsection...
- 13 In section 388 of FSMA 2000 (decision notices), in subsection...
- 14 In section 395 of FSMA 2000 (supervisory notices), in subsection...
- 15 (1) Section 415B of FSMA 2000 (consultation in relation to...
- 16 In Schedule 1ZA to FSMA 2000 (the Financial Conduct Authority),...
- 17

Financial Services Act 2012

- 18 In section 14 of the Financial Services Act 2012, omit...
- 19 (1) Section 85 of the Financial Services Act 2012 (relevant...

SCHEDULE 4 — The Payment Systems Regulator

Introductory

- 1 In this Schedule— (a) “the Regulator” means the Payment Systems...

Constitution

- 2 (1) The constitution of the Regulator must provide for it...

Status

- 3 (1) The Regulator is not to be regarded as exercising...

Budget

- 4 (1) The Regulator must adopt an annual budget which has...

Arrangements for discharging functions

- 5 (1) The Regulator may make arrangements for any of its...

Annual plan

- 6 (1) The Regulator must in respect of each of its...

Annual report

- 7 (1) At least once a year, the Regulator must make...

Other reports

- 7A (1) The Treasury may (subject to this paragraph) at any...

Changes to legislation: There are currently no known outstanding effects for the Financial Services (Banking Reform) Act 2013. (See end of Document for details)

Audit of accounts

- 8 (1) The Regulator must send a copy of its annual...

Funding (participants in regulated payment systems)

- 9 (1) For the purposes mentioned in sub-paragraph (2) the FCA...

Funding (regulated persons)

- 9A (1) For the purposes mentioned in sub-paragraph (2), the Regulator...

Penalty receipts

- 10 (1) The Regulator must in respect of each of its...
 11 (1) The Regulator must prepare and operate a scheme (“the...
 12 (1) The scheme details must be published by the Regulator...

Records

- 13 The Regulator must maintain satisfactory arrangements for—

Exemption from liability in damages

- 14 (1) None of the following is to be liable in...

Engagement with Parliamentary Committees

- 14A (1) This paragraph applies where the Regulator issues a relevant...
 14B (1) This paragraph applies where— (a) the Regulator issues a...

Freedom of information

- 15 In Part 6 of Schedule 1 to the Freedom of...

Equality

- 16 In Part 1 of Schedule 19 to the Equality Act...

SCHEDULE 5 — Procedure for appeals to the CMA

Functions of CMA to be discharged by group

- 1 Except where specified otherwise in this Schedule, the functions of...
 2 (1) Schedule 4 to the Enterprise and Regulatory Reform Act...

Application for permission to bring appeal

- 3 (1) An application for permission to bring an appeal may...

Suspension of decision

- 4 (1) The CMA may direct that, pending the determination of...

Time limit for representations and observations by the Regulator

- 5 (1) Sub-paragraph (2) applies where the Payment Systems Regulator wishes...

Changes to legislation: There are currently no known outstanding effects for the Financial Services (Banking Reform) Act 2013. (See end of Document for details)

Consideration and determination of appeal by group

6 (1) A group constituted by the chair of the CMA...

Time limits for determining appeal

7 (1) The CMA must determine an appeal within the period...

Matters to be considered on appeal

8 (1) The CMA, if it thinks it necessary to do...

Production of documents etc

9 (1) For the purposes of this Schedule, the CMA may...

Oral hearings

10 (1) For the purposes of this Schedule an oral hearing...

Written statements

11 (1) The CMA may by notice require a person to...

Expert advice

12 Where permission to bring an appeal is granted under paragraph...

Defaults in relation to evidence

13 (1) If a person (“the defaulter”)— (a) fails to comply...

14 (1) A person who wilfully alters, suppresses or destroys a...

Determination of appeal by CMA

15 (1) A determination by the CMA on an appeal—

Appeal rules

16 (1) The CMA Board may make rules of procedure regulating...

Costs

17 (1) A group that determines an appeal must make an...

Interpretation

18 (1) In this Schedule— “appeal” means an appeal made in...

SCHEDULE 6 — Conduct of FMI administration

1 The following provisions of this Schedule provide for—

2 The provisions set out in the Tables apply in relation...

3 The modifications are that— (a) a reference to the administrator...

4 Powers conferred by this Part of this Act and by...

5 A reference in an enactment or other document to anything...

6 (1) The Treasury may by order amend this Schedule so...

SCHEDULE 7 — Financial market infrastructure transfer schemes

Changes to legislation: There are currently no known outstanding effects for the Financial Services (Banking Reform) Act 2013. (See end of Document for details)

Application of Schedule

1 This Schedule applies where— (a) the court has made an...

Interpretation of Schedule

2 In this Schedule— “FMI transfer scheme” has the meaning given...

FMI administrator to act on behalf of old company

3 It is for the FMI administrator, while the FMI administration...

Making of FMI transfer schemes

4 (1) The old company may— (a) with the consent of...

Provision that may be made by a scheme

5 (1) An FMI transfer scheme may contain provision—

Further provision about transfers

6 (1) An FMI transfer scheme may make incidental, supplemental, consequential...

Effect of scheme

7 (1) In relation to each provision of an FMI transfer...

Subsequent modification of scheme

8 (1) The Bank of England may by notice to the...

Provision relating to foreign property

9 (1) An FMI transfer scheme may contain provision about—

Application of Schedule to transfers to subsidiaries

10 Where a proposed transfer falling within subsection (5) of section...

SCHEDULE 8 — Functions of FCA under competition legislation

PART 1 — AMENDMENTS OF FINANCIAL SERVICES AND MARKETS ACT 2000

1 Part 16A of FSMA 2000 (consumer protection and competition) is...

2 Omit section 234H (power of FCA to make request to...

3 After section 234H insert— The FCA's functions under Part 4...

4 In section 3I of FSMA 2000 (power of PRA to...

5 In section 348 of FSMA 2000 (restrictions on disclosure of...

6 In section 354A of FSMA 2000 (FCA's duty to co-operate...

7 (1) Schedule 1ZA to FSMA 2000 (the Financial Conduct Authority)...

PART 2 — AMENDMENTS OF OTHER LEGISLATION

Company Directors Disqualification Act 1986

8 In section 9E of the Company Directors Disqualification Act 1986...

Changes to legislation: There are currently no known outstanding effects for the Financial Services (Banking Reform) Act 2013. (See end of Document for details)

Competition Act 1998

- 9 In section 54 of the Competition Act 1998 (regulators), in...

Enterprise Act 2002

- 10 (1) Section 136 of the Enterprise Act 2002 (investigations and...

Enterprise and Regulatory Reform Act 2013

- 11 In section 52(4) of the Enterprise and Regulatory Reform Act...
12 In Schedule 4 to the Enterprise and Regulatory Reform Act...

SCHEDULE 9 — Building societies

Introductory

- 1 The Building Societies Act 1986 is amended as follows.

Exclusion of small business deposits from funding limit

- 2 (1) Section 7 (the funding limit) is amended as follows....
3 (1) In article 3 of the Building Societies Act 1986...

Ability to create floating charges

- 4 (1) Omit section 9B (restriction on creation of floating charges)....

Annual business statements

- 5 (1) Section 74 (duty of directors to prepare annual business...

Summary financial statements

- 6 (1) Section 76 (summary financial statement for members and
depositors)...
7 In consequence of the amendments made by paragraph 6—

Transfers of business: distributions and share rights

- 8 (1) Section 100 (regulated terms etc: distributions and share rights)...

Methods of communicating with members etc

- 9 After section 115 insert— Deemed agreement to use of web...
10 In the following provisions, omit “, in a manner agreed...
11 In section 81(3B)(c), omit “, in a manner agreed for...
12 (1) Schedule 2 is amended as follows.
13 In paragraphs 3(2B)(c) and 9(2B)(c) of Schedule 8A, omit “in...
14 (1) Schedule 11 is amended as follows.

Financial year

- 15 (1) Section 117 (financial year of building societies) is amended...
16 After section 117 insert— Alteration of financial year (1) A building
society may by notice given to the...
17 In Schedule 20 (transitional and saving provisions), omit paragraph 16...
18 The amendments made by paragraphs 15 to 17 have effect...

Changes to legislation: There are currently no known outstanding effects for the Financial Services (Banking Reform) Act 2013. (See end of Document for details)

SCHEDULE 10 — Minor amendments

Companies Act 1985

- 1 In Schedule 15D to the Companies Act 1985 (disclosures), omit...

Financial Services and Markets Act 2000

- 2 In section 376 of FSMA 2000 (continuation of contracts of...
- 3 (1) Part 25 of FSMA 2000 (injunctions and restitution) is...
- 4 (1) In Schedule 1ZA to FSMA 2000 (the Financial Conduct...
- 5 In Schedule 17A to FSMA 2000 (further provision in relation...

Income Tax Act 2007

- 6 In section 991 of the Income Tax Act 2007 (meaning...

Banking Act 2009

- 7 In section 89B of the Banking Act 2009 (application to...
- 8 In section 191 of the Banking Act 2009 (directions), in...

Financial Services Act 2012

- 9 In section 73 of the Financial Services Act 2012 (duty...
- 10 (1) Section 85 of the Financial Services Act 2012 (relevant...

Changes to legislation:

There are currently no known outstanding effects for the Financial Services (Banking Reform) Act 2013.