



# Financial Services and Markets Act 2023

## 2023 CHAPTER 29

### PART 1

#### REGULATORY FRAMEWORK

### CHAPTER 3

#### ACCOUNTABILITY OF REGULATORS

##### *FCA and PRA engagement*

## **38 Engagement with Parliamentary Committees**

- (1) FSMA 2000 is amended as follows.
- (2) In Part 4 of Schedule 1ZA (miscellaneous provisions relating to Financial Conduct Authority), after paragraph 27 insert—

### *“Engagement with Parliamentary Committees*

- 28 (1) This paragraph applies where the FCA issues a relevant consultation.
- (2) For the purposes of this paragraph the FCA issues a relevant consultation if it—
  - (a) publishes a draft of proposed rules under section 138I,
  - (b) publishes a proposal under a duty imposed by another provision of this Act or by any other enactment, or
  - (c) publishes other proposals about the exercise of any of its general functions.
- (3) The FCA must, as soon as reasonably practicable after issuing the consultation, notify in writing the chair of each relevant Parliamentary Committee that the consultation has been issued.

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*Changes to legislation:* There are currently no known outstanding effects for the Financial Services and Markets Act 2023, Section 38. (See end of Document for details)

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- (4) The notification must specify the parts of the consultation (if any) that address the ways in which the proposals subject to consultation—
- (a) advance the FCA’s operational objectives,
  - (b) are compatible with the FCA’s strategic objective,
  - (c) demonstrate that the FCA has had regard to the regulatory principles in section 3B when preparing the proposals, and
  - (d) engage with matters to which the FCA must have regard under regulations made under section 138EA.
- (5) The reference in sub-paragraph (4)(a) to the FCA’s operational objectives includes, in its application as a secondary objective, the competitiveness and growth objective (see section 1EB).
- (6) The notification must also specify any other part of the consultation which the FCA considers should be drawn to the attention of the relevant Parliamentary Committees.
- (7) References in this paragraph to the relevant Parliamentary Committees are references to—
- (a) the Treasury Committee of the House of Commons,
  - (b) the Committee of the House of Lords which—
    - (i) is charged with responsibility by that House for the purposes of this paragraph, and
    - (ii) has notified the FCA that it is a relevant Parliamentary Committee for those purposes, and
  - (c) the Joint Committee of both Houses which—
    - (i) is charged with responsibility by those Houses for the purposes of this paragraph, and
    - (ii) has notified the FCA that it is a relevant Parliamentary Committee for those purposes.
- (8) References in this paragraph to the Treasury Committee of the House of Commons—
- (a) if the name of that Committee is changed, are references to that Committee by its new name, and
  - (b) if the functions of that Committee (or substantially corresponding functions) become functions of a different Committee of the House of Commons, are to be treated as references to the Committee by which the functions are exercisable.
- (9) Any question arising under sub-paragraph (8) is to be determined by the Speaker of the House of Commons.
- 29 (1) This paragraph applies where—
- (a) the FCA issues a public consultation, and
  - (b) a Committee of the House of Commons or the House of Lords, or a joint Committee of both Houses, has provided to the FCA representations in response to the consultation.
- (2) For the purposes of this paragraph, the FCA issues a public consultation if it publishes the draft of any proposals for the purpose of bringing them to

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- the attention of the public (whether or not under a duty to do so imposed by an enactment).
- (3) The FCA must give to the chair of the Committee concerned a written response to the representations.
- (4) The duty to respond imposed by sub-paragraph (3) applies only so far as the FCA would not be under a corresponding duty to do so imposed by another enactment.
- (5) The FCA is not required under sub-paragraph (3) to provide any information whose publication would in the opinion of the FCA be against the public interest.”
- (3) In Part 4 of Schedule 1ZB (miscellaneous provisions relating to the PRA), after paragraph 35 insert—

*“Engagement with Parliamentary Committees*

- 36 (1) This paragraph applies where the PRA issues a relevant consultation.
- (2) For the purposes of this paragraph the PRA issues a relevant consultation if it—
- (a) publishes a draft of proposed rules under section 138J,
  - (b) publishes a proposal under a duty imposed by another provision of this Act or by any other enactment, or
  - (c) publishes other proposals about the exercise of any of its general functions.
- (3) The PRA must, as soon as reasonably practicable after issuing the consultation, notify in writing the chair of each relevant Parliamentary Committee that the consultation has been issued.
- (4) The notification must specify the parts of the consultation (if any) that address the ways in which the proposals subject to consultation—
- (a) advance the PRA’s objectives,
  - (b) demonstrate that the PRA has had regard to the regulatory principles in section 3B when preparing the proposals, and
  - (c) engage with matters to which the PRA must have regard under regulations made under section 138EA.
- (5) The reference in sub-paragraph (4)(a) to the PRA’s objectives includes, in their application as secondary objectives, the competition objective and the competitiveness and growth objective (see section 2H).
- (6) The notification must also specify any other part of the consultation which the PRA considers should be drawn to the attention of the relevant Parliamentary Committees.
- (7) References in this paragraph to the relevant Parliamentary Committees are references to—
- (a) the Treasury Committee of the House of Commons,
  - (b) the Committee of the House of Lords which—
    - (i) is charged with responsibility by that House for the purposes of this paragraph, and

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- (ii) has notified the PRA that it is a relevant Parliamentary Committee for those purposes, and
  - (c) the Joint Committee of both Houses which—
    - (i) is charged with responsibility by those Houses for the purposes of this paragraph, and
    - (ii) has notified the PRA that it is a relevant Parliamentary Committee for those purposes.
  - (8) References in this paragraph to the Treasury Committee of the House of Commons—
    - (a) if the name of that Committee is changed, are references to that Committee by its new name, and
    - (b) if the functions of that Committee (or substantially corresponding functions) become functions of a different Committee of the House of Commons, are to be treated as references to the Committee by which the functions are exercisable.
  - (9) Any question arising under sub-paragraph (8) is to be determined by the Speaker of the House of Commons.
- 37 (1) This paragraph applies where—
- (a) the PRA issues a public consultation, and
  - (b) a Committee of the House of Commons or the House of Lords, or a joint Committee of both Houses, has provided to the PRA representations in response to the consultation.
- (2) For the purposes of this paragraph, the PRA issues a public consultation if it publishes the draft of any proposals for the purpose of bringing the proposals to the attention of the public (whether or not under a duty to do so imposed by an enactment).
- (3) The PRA must give to the chair of the Committee concerned a written response to the representations.
- (4) The duty to respond imposed by sub-paragraph (3) applies only so far as the PRA would not be under a corresponding duty to do so imposed by another enactment.
- (5) The PRA is not required under sub-paragraph (3) to provide any information whose publication would in the opinion of the PRA be against the public interest.”

#### Commencement Information

- I1** S. 38 not in force at Royal Assent, see **s. 86(3)**
- I2** S. 38 in force at 29.8.2023 by **S.I. 2023/779, reg. 4(bb)**

**Changes to legislation:**

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