
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations bring into force on 10th May 2016 subsections (1), (2)(e), (f) and (g) and (3)(e), (f) and (g) of section 25 (misconduct) of the Bank of England and Financial Services Act 2016 (c. 14) (“the Act”). These are the first commencement regulations made under this Act.

Section 25 of the Act amends sections 66A and 66B of the Financial Services and Markets Act 2000 (c. 8) (“FSMA”). Subsections (2)(e), (f) and (g) and (3)(e), (f) and (g) change the requirements for establishing that a senior manager is guilty of misconduct in relation to disciplinary proceedings that can be brought by the Financial Conduct Authority (“the FCA”) and the Prudential Regulation Authority (“the PRA”). The effect is that a senior manager will not be guilty of misconduct under Condition C in section 66A(5) or 66B(5) of FSMA unless the FCA or the PRA can prove that that senior manager did not take reasonable steps to avoid the contravention of a requirement by the authorised person occurring or continuing.

These Regulations will have no effect on the costs of business and the voluntary sector independent of the provisions these Regulations bring into force. For that reason, no impact assessment has been produced for this instrument.