

Financial Services and Markets Bill

AMENDMENTS
TO BE MOVED
ON REPORT

After Clause 50

LORD BRIDGES OF HEADLEY

Insert the following new Clause—

“Office for Financial Regulatory Accountability

Creation of an Office for Financial Regulatory Accountability

- (1) The Treasury must, as soon as practicable after the end of the period of 12 months beginning with the day on which this Act is passed, by regulations make provision to create a body corporate called the Office for Financial Regulatory Accountability (“the Office”).
- (2) It is the duty of the Office to examine and report on the performance of the FCA and the PRA.
- (3) The Office must perform its duty objectively, transparently and impartially.
- (4) The functions of the Office are to be exercised on behalf of the Crown.
- (5) Regulations under subsection (1) are subject to the affirmative procedure.”

Member’s explanatory statement

This amendment would require the Treasury to create an Office for Financial Regulatory Accountability, with duties to provide independent and impartial analysis to Parliament and the public of the financial regulators’ performance against their statutory objectives and regulatory principles.

Insert the following new Clause—

“Charter for Financial Regulatory Accountability

- (1) The Treasury must prepare a document, to be known as the Charter for Financial Regulatory Accountability, relating to the formulation and implementation of financial regulation.
- (2) The Charter must in particular set out—
 - (a) the Treasury’s objectives in relation to financial regulation, and
 - (b) the means by which the Treasury’s objectives in relation to financial regulation will be attained.

After Clause 50 - continued

- (3) The Charter may contain such other material as the Treasury considers appropriate.
- (4) The Treasury must lay the Charter before Parliament.”

Member’s explanatory statement

See explanatory statement to the first new Clause amendment in the name of Lord Bridges of Headley after Clause 50.

Insert the following new Clause—

“Main duties of the Office

- (1) The main duties of the Office are to prepare and publish reports which—
 - (a) assess both financial regulators’ overall performance in terms of meeting their statutory objectives and regulatory principles under FSMA 2000, and
 - (b) provide analysis of the impact assessments of specific pieces of financial regulation, so as to determine how those regulations are contributing to meeting the regulators’ objectives under FSMA 2000.
- (2) In discharging its duties under subsection (1)(b) the Office must prioritise analysing regulations that, in its opinion—
 - (a) restrict domestic competition,
 - (b) reduce the international competitiveness of financial services in the United Kingdom,
 - (c) create new compliance costs, or
 - (d) have a significant impact on business, individuals or the economy of the United Kingdom.
- (3) The Office has complete discretion in the performance of its duties.”

Member’s explanatory statement

See explanatory statement to the first new Clause amendment in the name of Lord Bridges of Headley after Clause 50.

Insert the following new Clause—

“Reports of the Office

- (1) The Office must—
 - (a) publish each of its reports,
 - (b) lay it before Parliament, and
 - (c) send a copy of it to the Treasury.
- (2) The FCA and the PRA must publish their respective responses to the reports of the Office within 60 days, including a statement of actions they will take as a result.”

Member’s explanatory statement

See explanatory statement to the first new Clause amendment in the name of Lord Bridges of Headley after Clause 50.

Insert the following new Clause—

“Right to information and data

- (1) The Office has a right of access (at any reasonable time) to all regulatory information which it may reasonably require for the purpose of the performance of its duties.
- (2) The Office is entitled to require from any person holding or accountable for any regulatory information any assistance or explanation which the Office reasonably thinks necessary for that purpose.
- (3) “Regulatory information” means information held by the FCA, the PRA, the Bank of England or any Minister of the Crown or Government department.”

Member’s explanatory statement

See explanatory statement to the first new Clause amendment in the name of Lord Bridges of Headley after Clause 50.

Insert the following new Clause—

“Membership of the Office

- (1) The Office is to consist of—
 - (a) a member to chair it, appointed by the Chancellor of the Exchequer with the consent of the Treasury Committee of the House of Commons, and
 - (b) two other members appointed by the Chancellor of the Exchequer after consultation with the member appointed under paragraph (a) and with the consent of that Committee.
- (2) A person may be appointed under subsection (1)(a) or (b) only if the person has knowledge or experience likely to be relevant to the performance of the Office’s duty.
- (3) An appointment under subsection (1)(a) or (b) is to be for a period of 5 years.
- (4) The Office may employ staff.”

Member’s explanatory statement

See explanatory statement to the first new Clause amendment in the name of Lord Bridges of Headley after Clause 50.

Insert the following new Clause—

“Financial arrangements of the Office

- (1) The Treasury may make to the Office such payments out of money provided by Parliament as the Treasury considers appropriate for the purpose of enabling the Office to meet its expenses.
- (2) Payments are to be made at such times, and subject to any such conditions, as the Treasury considers appropriate.
- (3) The Office must aim to carry out its functions efficiently and cost-effectively.”

Member’s explanatory statement

See explanatory statement to the first new Clause amendment in the name of Lord Bridges of Headley after Clause 50.

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18 May 2023
