

# Financial Services and Markets Bill

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AMENDMENTS  
TO BE MOVED  
ON REPORT

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**After Clause 24**

LORD HOLMES OF RICHMOND

Insert the following new Clause—

**“Financial Inclusion Objective for the FCA**

- (1) FSMA 2000 is amended as follows.
- (2) In section 1B (FCA’s general duties), after subsection (4) insert—

“(4A) When discharging its general functions in the way mentioned in subsection (1) the FCA must, so far as reasonably possible, act in a way which, as a secondary objective, advances the financial inclusion objective (see section 1EB).”
- (3) After section 1E insert—

**“1EB Financial Inclusion Objective**  
The financial inclusion objective is: facilitating as far as is practical, the inclusivity of the UK’s financial system.””

**After Clause 65**

BARONESS HAYMAN  
BARONESS ALTMANN  
BARONESS DRAKE

Insert the following new Clause—

**“Investment duties of personal pension providers and investment managers**

In FSMA 2000 after section 137FD insert—

**“137FDA FCA general rules: pension investment and managing investments**

- (1) The FCA may publish guidance on the consideration by FCA-regulated persons of—
  - (a) the likely consequences of any decision in the long term;

**After Clause 65 - continued**

- (b) the impacts of climate, nature and society (including impacts that FCA-regulated persons cannot manage through choosing investments) on their investments and investment strategy, and the impact of their investments and investment strategy on society, climate and nature.
  - (c) public reporting on how they have met the other requirements in this sub-section.
- (2) In this section “relevant FCA-regulated persons” means—
- (a) managers of personal pension schemes within the meaning of an order under section 22,
  - (b) managers of stakeholder pension schemes within the meaning of such an order, and
  - (c) persons managing investments within the meaning of an order under section 22, including the activity described in paragraph 6 of schedule 2 (Managing investments).”

**Member’s explanatory statement**

*This amendment works alongside the proposed new Clause after Clause 71 tabled by Baroness Hayman to permit the Secretary of State for DWP in relation to occupational pension schemes, to issue guidance to which trustees and firms must have regard about consideration of the long term consequences of investment decisions, the impacts of risks, and the impacts of investments on society and the environment.*

**After Clause 71**

BARONESS HAYMAN  
 BARONESS SHEEHAN  
 BARONESS ALTMANN

Insert the following new Clause—

**“Investment duties of occupational pension scheme trustees**

- (1) Section 36 of the Pensions Act 1995 (Choosing investments) is amended as follows.
- (2) In subsection (1) for “subsections (3) and (4)” substitute “subsections (1B), (1C), (3) and (4)”
- (3) After sub-section (1A), add—
  - “(1B) The assets of the scheme must be invested—
    - (a) in the best interests of members and beneficiaries, and
    - (b) in the case of a potential conflict of interest, in the sole interest of members and beneficiaries.
  - (1C) In complying with requirements imposed by this section and by the regulations, a trustee or manager must have regard to guidance prepared from time to time by the Secretary of State on the matters listed in subsection (1D).
  - (1D) The Secretary of State may prepare guidance on the consideration by trustees and managers of—
    - (a) the likely consequences of any decision in the long term;

**After Clause 71 - continued**

- (b) the impacts of climate, nature and society (including impacts that the trustees cannot manage through choosing investments) on their investments and investment strategy, and the impact of their investments and investment strategy on society, climate and nature.””

***Member’s explanatory statement***

*This amendment works alongside the proposed new Clause after Clause 65 tabled by Baroness Hayman to permit the Secretary of State for DWP in relation to occupational pension schemes, to issue guidance to which trustees and firms must have regard about consideration of the long term consequences of investment decisions, the impacts of risks, and the impacts of investments on society and the environment.*

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*30 May 2023*

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