



Financial Services (Banking Reform) Act 2013

2013 CHAPTER 33

PART 1

RING-FENCING

Reviews

11 Reviews of proprietary trading: interpretation

- (1) This section has effect for the interpretation of sections 9 and 10.
- (2) A person engages in “proprietary trading” where the person trades in commodities or financial instruments as principal.
- (3) In subsection (2)—
 - (a) “commodity” includes any produce of agriculture, forestry or fisheries, or any mineral, either in its natural state or having undergone only such processes as are necessary or customary to prepare the produce or mineral for the market;
 - (b) “financial instrument” includes anything specified in Section C of Annex I to [F1 Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014] on markets in financial instruments.
- (4) “Relevant authorised person” means a PRA-authorised person which—
 - (a) is a UK institution,
 - (b) meets condition A or B, and
 - (c) is not an insurer.
- (5) Condition A is that the UK institution has permission under Part 4A of FSMA 2000 to carry on the regulated activity of accepting deposits.
- (6) Condition B is that—

Changes to legislation: There are currently no known outstanding effects for the Financial Services (Banking Reform) Act 2013, Section 11. (See end of Document for details)

- (a) the institution is for the purposes of FSMA 2000 an investment firm (see section 424A of that Act),
 - (b) it has permission under Part 4A to carry on the regulated activity of dealing in investments as principal, and
 - (c) when carried on by it, that activity is a PRA-regulated activity.
- (7) In subsections (4) to (6)—
- (a) “UK institution” means an institution which is incorporated in, or formed under the law of any part of, the United Kingdom;
 - (b) “insurer” means an institution which is authorised under FSMA 2000 to carry on the regulated activity of effecting or carrying out contracts of insurance as principal;
 - (c) “PRA-authorised person” and “PRA-regulated activity” have the same meaning as in FSMA 2000.
- (8) Subsections (5), (6)(b) and (7)(b) are to be read in accordance with section 22 of FSMA 2000, taken with Schedule 2 to that Act and any order under that section.

Textual Amendments

- F1** Words in s. 11(3)(b) substituted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by [The Financial Services and Markets Act 2000 \(Markets in Financial Instruments\) Regulations 2017 \(S.I. 2017/701\)](#), reg. 1(2)(3)(4)(6), **Sch. 4 para. 15** (with reg. 7)
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Commencement Information

- I1** [S. 11](#) in force at 1.1.2019 by [S.I. 2018/1306](#), **art. 2(j)**

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