



Financial Services (Banking Reform) Act 2013

2013 CHAPTER 33

PART 7

MISCELLANEOUS

Meetings with auditors

134 Duty to meet auditors of certain institutions

- (1) Part 22 of FSMA 2000 (auditors and actuaries) is amended as follows.
- (2) After section 339A insert—

“339B Duty to meet auditors of certain institutions

- (1) The FCA must make arrangements for meetings to take place at least once a year between—
 - (a) the FCA, and
 - (b) the auditor of any PRA-authorized person to which section 339C applies.
- (2) The PRA must make arrangements for meetings to take place at least once a year between—
 - (a) the PRA, and
 - (b) the auditor of any PRA-authorized person to which section 339C applies.
- (3) The annual report of each regulator must include the number of meetings that have taken place during the period to which the report relates between the regulator and auditors of PRA-authorized persons to which section 339C applies.

- (4) In subsection (3) “the annual report” means—
- (a) in relation to the FCA, every report which it is required by paragraph 11 of Schedule 1ZA to make to the Treasury, and
 - (b) in relation to the PRA, every report which it is required by paragraph 19 of Schedule 1ZB to make to the Treasury.
- (5) In this section “auditor” means an auditor appointed under or as a result of a statutory provision.

339C PRA-authorised persons to which this section applies

- (1) This section applies to a PRA-authorised person which—
- (a) is a UK institution,
 - (b) meets condition A or B,
 - (c) is not an insurer or a credit union, and
 - (d) is, in the opinion of the PRA, important to the stability of the UK financial system.
- (2) Condition A is that the person has permission under Part 4A to carry on the regulated activity of accepting deposits.
- (3) Condition B is that—
- (a) the person is an investment firm that has permission under Part 4A to carry on the regulated activity of dealing in investments as principal, and
 - (b) when carried on by the person, that activity is a PRA-regulated activity.
- (4) In this section—
- (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 this Act to carry on the regulated activity of effecting or carrying out contracts of insurance as principal;
 - (c) “credit union” means a credit union as defined by section 31 of the Credit Unions Act 1979 or a credit union as defined by Article 2(2) of the Credit Unions (Northern Ireland) Order 1985.
- (5) Subsections (2), (3) and (4)(b) are to be read in accordance with Schedule 2, taken together with any order under section 22.”
- (3) The italic cross-heading before section 339A becomes “*General duties of regulator*”.