



# Financial Services and Markets Act 2023

## 2023 CHAPTER 29

### PART 1

#### REGULATORY FRAMEWORK

### CHAPTER 3

#### ACCOUNTABILITY OF REGULATORS

##### *FCA and PRA objectives and regulatory principles*

#### **28 Sections 25 and 27: consequential amendments**

- (1) FSMA 2000 is amended as follows.
- (2) In section 1JA (Treasury recommendations in connection with general duties), after subsection (1)(c) insert—
  - “(ca) how to discharge the duty in section 1B(4A) (duty to advance competitiveness and growth objective).”
- (3) In section 1K (guidance about objectives), after subsection (1) insert—
  - “(1A) The reference in subsection (1) to the FCA’s operational objectives includes, in its application as a secondary objective, the competitiveness and growth objective (see section 1EB).”
- (4) In section 2I (guidance about objectives), after subsection (1) insert—
  - “(1A) The reference in subsection (1) to the PRA’s objectives includes, in their application as secondary objectives, the competition objective and competitiveness and growth objective (see section 2H).”
- (5) In section 3B (regulatory principles to be applied by both regulators), for subsection (3) substitute—

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*Status: This is the original version (as it was originally enacted).*

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- “(3) “Objectives”—
- (a) in relation to the FCA means—
    - (i) operational objectives, and
    - (ii) in its application as a secondary objective, the competitiveness and growth objective (see section 1EB), and
  - (b) in relation to the PRA means—
    - (i) the PRA’s objectives, and
    - (ii) in their application as secondary objectives, the competition objective and competitiveness and growth objective (see section 2H).”
- (6) In section 3D (duty of FCA and PRA to ensure co-ordinated exercise of functions), for subsection (4) substitute—
- “(4) In this section, “objectives”—
- (a) in relation to the FCA means—
    - (i) operational objectives, and
    - (ii) in its application as a secondary objective, the competitiveness and growth objective (see section 1EB), and
  - (b) in relation to the PRA means—
    - (i) the PRA’s objectives, and
    - (ii) in their application as secondary objectives, the competition objective and competitiveness and growth objective (see section 2H).
- (5) Where a regulator is proposing to exercise a function that is not one of its general functions, the reference to “objectives” in subsection (1)(a) does not include the secondary objectives mentioned in subsection (4)(a)(ii) and (b)(ii).
- (6) In this section, “general functions”—
- (a) in relation to the FCA, has the same meaning as in section 1B(6), and
  - (b) in relation to the PRA, has the same meaning as in section 2J(1).”
- (7) In section 138I (consultation by the FCA), in subsection (2)(d) after “1B(1)” insert “, (4A)”.
- (8) In section 143G (matters to consider when making Part 9C rules)—
- (a) in subsection (1)—
    - (i) insert “and” after paragraph (a), and
    - (ii) omit paragraphs (b) and (c);
  - (b) omit subsection (2).
- (9) In section 232A (scheme operator’s duty to provide information to FCA)—
- (a) the existing words become subsection (1), and
  - (b) after that subsection insert—
    - “(2) The reference in subsection (1) to the FCA’s operational objectives includes, in its application as a secondary objective, the competitiveness and growth objective (see section 1EB).”
- (10) In paragraph 11 of Schedule 1ZA (FCA annual report), in sub-paragraph (1) after paragraph (d) insert—

“(da) how, in its opinion, it has complied with the duty in section 1B(4A).”.

(11) In paragraph 20 of Schedule 1ZB (consultation about PRA annual report), in subparagraph (1)(c) for “and the PRA has facilitated effective competition in accordance with” substitute “including its secondary objectives under”.