

*These notes refer to the Financial Services Act 2012
(c.21) which received Royal Assent on 19 December 2012*

FINANCIAL SERVICES ACT 2012

EXPLANATORY NOTES

COMMENTARY

Part 5 – Inquiries and Investigations

Investigations

Section 74: Duty of PRA to investigate and report on possible regulatory failure

533. *Section 74* requires the PRA to investigate events and to report to the Treasury on the result of the investigation. The duty applies where events have occurred which relate to PRA-authorized persons, which have or may have caused serious harm to the values underpinning the PRA's objectives (the safety and soundness of those persons or the adequate degree of protection for policyholders) or where relevant public expenditure (as defined in *section 75*) has been incurred in respect of a PRA-authorized person, and where those events may not have occurred but for a serious failure in the legislative regime for regulation or its operation. The duty applies where the PRA itself is satisfied that the test is met (unless the Treasury directs the PRA that an investigation is not required) or where the Treasury direct the PRA that the test is met.