



# Financial Services Act 2012

## 2012 CHAPTER 21

### PART 2

#### AMENDMENTS OF FINANCIAL SERVICES AND MARKETS ACT 2000

##### *Recognised investment exchanges and clearing houses*

### **31 Additional power to direct UK clearing houses**

After section 296 of FSMA 2000 insert—

#### **“296A Additional power to direct UK clearing houses**

- (1) The Bank of England may direct a UK clearing house to take, or refrain from taking, specified action if the Bank is satisfied that it is necessary to give the direction, having regard to the public interest in—
  - (a) protecting and enhancing the stability of the UK financial system,
  - (b) maintaining public confidence in the stability of the UK financial system,
  - (c) maintaining the continuity of the central counterparty clearing services provided by the clearing house, and
  - (d) maintaining and enhancing the financial resilience of the clearing house.
- (2) The direction may, in particular—
  - (a) specify the time for compliance with the direction,
  - (b) require the rules of the clearing house to be amended, and
  - (c) override such rules (whether generally or in their application to a particular case).
- (3) The direction may not require the clearing house—
  - (a) to take any steps for the purpose of securing its compliance with—
    - (i) the recognition requirements, or

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**Changes to legislation:** Financial Services Act 2012, Section 31 is up to date with all changes known to be in force on or before 01 May 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

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- (ii) any obligation of a kind mentioned in section 296(1)(b) or (1A), or
  - (b) to accept a transfer of property, rights or liabilities of another clearing house.
- (4) If the direction is given in reliance on section 298(7) the Bank must, within a reasonable time of giving the direction, give the clearing house a statement of its reasons—
  - (a) for giving the direction, and
  - (b) for relying on section 298(7).
- (5) The direction is enforceable, on the application of the Bank, by an injunction or, in Scotland, by an order for specific performance under section 45 of the Court of Session Act 1988.
- (6) The Bank may revoke a direction given under this section.”

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**Commencement Information**

**II** S. 31 in force at 1.4.2013 by S.I. 2013/423, art. 3, Sch.

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**Changes and effects yet to be applied to the whole Act associated Parts and Chapters:**

- Act power to apply conferred (temp.) by [2014 c. 21 s. 79\(4\)](#)
- Act power to apply conferred (temp.) by [2014 c. 21 s. 81\(10\)](#)