



# Financial Services (Banking Reform) Act 2013

## 2013 CHAPTER 33

### PART 1

#### RING-FENCING

##### *Ring-fencing*

#### **1 Objectives of Prudential Regulation Authority**

(1) Section 2B of FSMA 2000 (the PRA's general objective) is amended as follows.

(2) In subsection (3)—

- (a) at the end of paragraph (a), omit “and”, and
- (b) after paragraph (b) insert “, and

- (c) discharging its general functions in relation to the matters mentioned in subsection (4A) in a way that seeks to—

- (i) ensure that the business of ring-fenced bodies is carried on in a way that avoids any adverse effect on the continuity of the provision in the United Kingdom of core services,
- (ii) ensure that the business of ring-fenced bodies is protected from risks (arising in the United Kingdom or elsewhere) that could adversely affect the continuity of the provision in the United Kingdom of core services, and
- (iii) minimise the risk that the failure of a ring-fenced body or of a member of a ring-fenced body's group could affect the continuity of the provision in the United Kingdom of core services.”

(3) In subsection (4), for “subsection (3)” substitute “ subsection (3)(a) and (b) ”.

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**Changes to legislation:** There are currently no known outstanding effects for the Financial Services (Banking Reform) Act 2013, Section 1. (See end of Document for details)

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(4) After subsection (4) insert—

“(4A) The matters referred to in subsection (3)(c) are—

- (a) Part 9B (ring-fencing);
- (b) ring-fenced bodies (see section 142A);
- (c) any body corporate incorporated in the United Kingdom that has a ring-fenced body as a member of its group;
- (d) applications under Part 4A which, if granted, would result, or would be capable of resulting, in a person becoming a ring-fenced body.”

(5) In section 2J of FSMA 2000 (interpretation of Chapter 2 of Part 1)—

- (a) in subsection (3), for “a PRA-authorized” substitute “ an authorised ”,
- (b) after that subsection insert—

“(3A) For the purposes of this Chapter, the cases in which a person (“P”) other than an authorised person is to be regarded as failing include any case where P enters insolvency.”, and

- (c) in subsection (4), for “subsection (3)(a)” substitute “ subsections (3)(a) and (3A) ”.

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**Commencement Information**

**II** S. 1 in force at 1.1.2019 by S.I. 2018/1306, art. 2(a)

**Changes to legislation:**

There are currently no known outstanding effects for the Financial Services (Banking Reform) Act 2013, Section 1.