



Financial Services (Banking Reform) Act 2013

2013 CHAPTER 33

PART 1

RING-FENCING

Reviews

8 Independent review of operation of legislation relating to ring-fencing

- (1) The Treasury must, before the end of the initial period, appoint a panel of at least 5 persons (“the review panel”) to carry out a review of the operation of the legislation relating to ring-fencing.
- (2) “The legislation relating to ring-fencing” means—
 - (a) Part 9B of FSMA 2000 (as inserted by section 4);
 - (b) orders and regulations made by the Treasury under that Part;
 - (c) ring-fencing rules, as defined by section 142H(3) of FSMA 2000, made by the FCA or the PRA;
 - (d) section 192JA of FSMA 2000 (as inserted by section 133);
 - (e) rules made by the FCA or the PRA under that section.
- (3) The initial period is the period of 2 years beginning with the first day on which section 142G of FSMA 2000 is fully in force.
- (4) The members of the review panel must be persons—
 - (a) who appear to the Treasury to be independent of the PRA, the FCA, the Bank of England and the Treasury, and
 - (b) who do not appear to the Treasury to have any financial or other interests that could reasonably be regarded as affecting their suitability to serve as members of the review panel.

- (5) In appointing the members of the review panel, the Treasury—
- (a) must have regard to the need to ensure that the review panel (considered as a whole) has the necessary experience to undertake the review, and
 - (b) must ensure that at least one of the members is a person appearing to the Treasury to have substantial experience in central banking or banking regulation at a senior level.
- (6) Before appointing the members of the review panel, the Treasury must consult the chair of the Treasury Committee of the House of Commons.
- (7) The reference in subsection (6) to the Treasury Committee of the House of Commons—
- (a) if the name of that Committee is changed, is a reference to that Committee by its new name, and
 - (b) if the functions of that Committee (or substantially corresponding functions) become functions of a different Committee of the House of Commons, is to be treated as a reference to the Committee by which the functions are exercisable;
- and any question arising under paragraph (a) or (b) is to be determined by the Speaker of the House of Commons.
- (8) The Treasury must appoint one of the members of the review panel to be the chair of the panel.
- (9) The review panel must, within a reasonable time after the end of the initial period, make a written report to the Treasury—
- (a) setting out the results of the review, and
 - (b) making such recommendations (if any) as the panel considers appropriate.
- (10) The Treasury must—
- (a) lay a copy of the report before Parliament, and
 - (b) publish the report in such manner as they think fit.
- (11) Any expenses reasonably incurred in the conduct of the review are to be paid by the Treasury out of money provided by Parliament.