## **EXPLANATORY NOTES**

## FINANCIAL SERVICES ACT 2010

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## **BACKGROUND TO THE ACT**

#### SUMMARY AND OVERVIEW OF THE STRUCTURE OF THE ACT

**Objectives of FSA etc** 

Remuneration of executives of authorised persons

**Recovery and resolution plans** 

**Short selling** 

FSA's disciplinary powers

**Measures to protect consumers** 

**Financial Services Compensation Scheme (FSCS)** 

Powers to require information

**Banking Act 2009** 

**Director of Savings** 

#### TERRITORIAL EXTENT

## **ANNEX**

## COMMENTARY ON SECTIONS AND SCHEDULES

## **Objectives of FSA etc**

Section 1: Financial stability objective

Section 2: Enhancing public understanding of financial matters etc

Section 3: Meeting FSA's regulatory objectives

## Remuneration of executives of authorised persons

Section 4: Executives' remuneration reports

Section 5: Executives' remuneration reports: supplementary

#### Section 6: Remuneration rules made by FSA

#### New section 139A: General rules about remuneration

## Recovery and resolution plans (RRPs)

Section 7: Rules made by FSA about recovery and resolution plans

New section 139B - Rules about recovery plans

New section 139C – Rules about resolution plans

New section 139D – Sections 139B and 139C: interpretation

139E Rules about recovery and resolution plans: supplementary provision

New section 139F – Special provision in relation to resolution plans

### **Short selling**

Section 8: Power of FSA to prohibit, or require disclosure of, short selling

New section 131B: short selling rules

New section 131C: Short selling rules: definitions etc

New section 131D: Short selling rules: procedure in urgent cases

**New section 131E: Power to require information** 

New section 131F: Power to require information: supplementary

New section 131G: Power to impose penalty or issue censure

New section 131H: Procedure and right to refer to Tribunal

New section 131I: Duty on publication of statement

New section 131J: Imposition of penalties under section 131G: statement of policy

New section 131K: Statement of policy: procedure

#### FSA's disciplinary powers

Section 9: Suspending permission to carry on regulated activities etc

Section 10: Removal of restriction on imposing a penalty and cancelling authorisation

Section 11: Performance of controlled function without approval

Section 12: Approved persons guilty of misconduct

Section 13: Publication of decision notices

## Measures to protect consumers

#### Section 14: Consumer redress schemes

**New section 404: Consumer redress schemes** 

New section 404A: Rules under section 404: supplementary

New section 404B: Complaints to the ombudsman scheme

**New section 404C: Enforcement** 

New section 404D: Applications to Tribunal to quash rules or provision of rules

New section 404G: Power to widen the scope of consumer redress schemes

Section 15: Restrictions on provision of credit card cheques

## **Financial Services Compensation Scheme**

Section 16: Contribution to costs of special resolution regime

Section 17: Power to require FSCS manager to act in relation to other schemes

### Powers to require information

Section 18: Information relating to financial stability

New section 165A: Authority's power to require information: financial stability

New section 165B: Safeguards etc in relation to exercise of power under section 165A

New section 165C: Orders under section 165A(2)(d)

New section 169A: Support of overseas regulator with respect to financial stability

Section 19: Asset protection scheme etc

#### **Banking Act 2009**

Section 20: Services forming part of recognised inter-bank payment systems

New section 206A: Services forming part of recognised inter-bank payment systems

Section 21: Minor amendments of provision made by Banking Act 2009

## **Director of Savings**

Section 22: Administration of court funds by Director of Savings

#### General

Section 23: Orders or regulations

# These notes refer to the Financial Services Act 2010 (c.28)

Section 24: Minor and consequential amendments

FINANCIAL EFFECTS OF THE ACT

**COMMENCEMENT DATES** 

**HANSARD REFERENCES** 

**ANNEX: LIST OF ABBREVIATIONS**