

Cabinet News and Views

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Introduction of the UK Financial Services and Markets Bill



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On July 20, the [Financial Services and Markets Bill](#) (the “Bill”) was introduced in the UK’s House of Commons (“HoC”). This first formal stage in the legislative process (called the “first reading”) does not allow for debate of the Bill.

The Chancellor announced the introduction of the Bill on July 19 in a [speech](#) at Mansion House. The Government states that the Bill will, among other things:

- implement the outcome of the [Future Regulatory Framework Review](#);
- eventually repeal all retained EU law relating to financial services (*i.e.*, EU law that was “onshored” into UK law at the time of Brexit);
- give the UK’s financial regulators a new secondary objective to “facilitate growth and competitiveness”;
- provide for the implementation of mutual recognition agreements (“MRAs”) and for the UK to recognize equivalent Simple, Transparent and Standardised (“STS”) securitisations issued by entities outside of the UK;
- give the Bank of England new tools to mitigate the risk of failure of critical financial institutions and enhance the UK’s insolvency arrangements for insurers;
- bring stablecoins into the scope of regulation when used as a form of payment and enable Financial Market Infrastructure firms to explore technologies in temporary pilot schemes; and
- introduce measures supporting financial inclusion to ensure continued access to cash, along with enhancing protection for victims of authorised push payment scams.

There is a long process for the Bill to travel before it passes into law. There will be several further “readings” where the content of the Bill is debated in the HoC, together with committee and report stages. The Bill will then be voted on (at the third reading) where the HoC decides if the Bill should be approved. A similar process (including several debates, committee and report stages) will then take place in the House of Lords. There will likely be multiple amendments proposed and considered during the course of the Bill’s progress through the UK Parliament.

The “second reading” in the HoC is currently scheduled to take place on September 7, 2022.
