

Appendix 2: Further Provisions on Successor Entities to the FSA and on information-sharing within the same jurisdiction

1. The Authorities recognise that, under the reform of the UK financial services regulation, functions currently exercised by the FSA will be exercised by the following separate entities when the Financial Services Act 2012 (which received Royal Assent on 19 December 2012) enters into force on 1 April 2013:
 - the Prudential Regulation Authority (PRA) (a subsidiary of the Bank of England), which will be responsible for prudential supervision of deposit takers, insurers and significant investment firms;
 - the Financial Conduct Authority (FCA), which will be responsible for regulating conduct in retail and wholesale markets (including both exchange-operated markets and over-the-counter dealing), or supervising the trading infrastructure that supports those markets; and for prudential regulation of firms not prudentially regulated by the PRA; and
 - the Bank of England (Bank), which will be responsible for systemically important market infrastructure (i.e. settlement systems and clearing houses), in addition to its monetary authority/financial stability functions as a central bank and as the UK's banking resolution authority. As part of the reform, a statutory Financial Policy Committee will be established as a sub-committee within the Bank and charged with contributing to the Bank's financial stability objective.

The Bank, FCA and PRA are together described as the 'UK Authorities'.

When such transfer of the FSA's functions to the UK Authorities as described above takes effect:

- the provisions in this MoU will automatically cease as between CIMA and the FSA; and
- the provisions of this MoU will automatically take effect as between CIMA with the PRA and FCA, such that CIMA will have automatically entered into separate bilateral MOUs: one between CIMA and the FCA, and the other between CIMA and the PRA, which shall be on the terms of this MoU subject to the following amendments in each case:

- each reference to the FSA shall be replaced with a reference to the relevant UK Authority,
 - the provisions of this paragraph 1 shall be deleted.
2. With effect from the date on which the transfer of the FSA's functions to the PRA, the FCA and/or the Bank (each individually a 'UK Authority') takes effect, as an exception to paragraph 14 of this MOU, non-public information received under this MOU may be shared by the recipient Authority with any UK Authority (the 'requesting authority') provided that:
- a) The requesting authority is responsible for: (i) the regulation or supervision of financial organisations, insurance companies, investment firms; and/or (ii) exercising public functions in relation to clearing and settlement systems and the safeguarding of financial stability; and/or (iii) the regulation of conduct in retail and wholesale markets and the regulation of the financial markets; and
 - b) such disclosure is made for the purposes of the public functions of a party to this MoU or the requesting authority.

Executed by the Parties:

For the CIMA


CINDY SCOTLAND, MANAGING DIRECTOR
[Name and title]

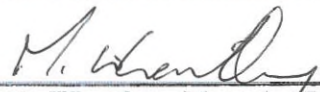
Date: 19 February 2013

For the Bank (for itself and on behalf of the PRA)


Graham Nicholson - Chief Legal Adviser

Date: 20 February 2013

For the FSA (to be renamed FCA)


Martin Wheatley - Managing Director

Date: 18 March 2013