Draft Order laid before Parliament under section 9N of the Bank of England Act 1998, for approval by resolution of each House of Parliament.

DRAFT STATUTORY INSTRUMENTS

2013 No.

FINANCIAL SERVICES AND MARKETS

The Bank of England Act 1998 (Macro-prudential Measures) Order 2013

Made - - - -	*2013*
Coming into force - -	*1st April 2013*

In accordance with section 9N of the Bank of England Act 1998(**1**), a draft of this Order has been laid before Parliament and approved by a resolution of each House;

The Treasury, in exercise of the powers conferred by section 9I(2) and 9L of the Bank of England Act 1998(**2**), make the following Order:

Citation, commencement and interpretation

1.—(1) This Order may be cited as the Bank of England Act 1998 (Macro-prudential Measures) Order 2013 and comes into force on 1st April 2013.

(2) In this Order—

"banking consolidation directive" means Directive 2006/48/EC of the European Parliament and of the Council of 14 June 2006 relating to the taking up and pursuit of the business of credit institutions(**3**);

"commercial property exposure" means an exposure which is (to any extent) secured on land or other immoveable property being used primarily for commercial or non-residential purposes;

"consolidated basis", in relation to a measure, means on the basis that the undertaking to which the measure applies and one or more other undertakings are to be treated as a single undertaking;

"credit institution" has the meaning given by Article 4(1) of the banking consolidation directive;

"excluded deposit taker" means—

(**1**) 1998 c.11. Inserted by section 4 of the Financial Services Act 2012 (c.21).
(**2**) Inserted by section 4 of the Financial Services Act 2012. In relation to the first order under section 9L, subsection (2) does not apply by virtue of paragraph 6 of Schedule 20 to the Financial Services Act 2012.
(**3**) OJ L 177, 30.6.2006, p.1.

(a) a credit union within the meaning of section 31 of the Credit Unions Act 1979(**4**), or

(b) a person with permission under Part 4A of FSMA 2000(**5**) to effect or carry out contracts of insurance as principal,

"exposure" means an asset or off-balance sheet item;

"financial sector entity" means any of the following—

(a) a credit institution,

(b) an investment firm,

(c) a financial institution (meaning an undertaking other than a credit institution or investment firm, the principal activity of which is to acquire holdings or to pursue one or more of the activities listed in points 2 to 12 and 15 of Annex I to the banking consolidation directive),

(d) an ancillary services undertaking (meaning an undertaking the principal activity of which consists in owning or managing property, managing data-processing services or any other similar activity which is ancillary to the principal activity of one or more credit institutions, investment firms, insurance undertakings or reinsurance undertakings),

(e) an insurance undertaking,

(f) a third country insurance undertaking,

(g) a reinsurance undertaking,

(h) a third country reinsurance undertaking, or

(i) an insurance holding company (meaning an undertaking which is not a mixed financial holding company the main business of which is to acquire and hold participating interests in subsidiary undertakings which are exclusively or mainly insurance undertakings, reinsurance undertakings, third country insurance undertakings or third country reinsurance undertakings, and which has at least one subsidiary undertaking which is an insurance undertaking or a reinsurance undertaking),

"financial sector exposure" means—

(a) an exposure under, or which relates to, a contract with a financial sector entity, or

(b) an exposure to, or which relates to, the securities or other instruments issued by such an entity,

"first non-life directive" means Directive 73/239/EEC of the Council of 24 July 1973 on the coordination of laws, regulations and administrative provisions relating to the taking up and pursuit of the business of direct insurance other than life assurance(**6**);

"insurance undertaking" means an undertaking which has received authorisation as an insurance undertaking in accordance with the first non-life directive or the life assurance consolidation directive;

"investment firm" has the meaning given by section 424A of FSMA 2000(**7**);

"life assurance consolidation directive" means Directive 2002/83/EC of the European Parliament and of the Council of 5 November 2000 concerning life assurance(**8**);

"mixed financial holding company" means an undertaking which is not a credit institution, an insurance undertaking or an investment firm which has at least one subsidiary undertaking which is a credit institution, an insurance undertaking or an investment firm and which,

(**4**) 1979 c.34.
(**5**) Inserted by section 11 of the Financial Services Act 2012.
(**6**) OJ L 228, 16.8.1973, p.3.
(**7**) Inserted by SI 2006/2975; amended by SI 2007/126.
(**8**) OJ L 345, 19.12.2002, p.1.