

~~MR NORGROVE~~

17 September 1986

FINANCIAL SERVICES BILL

Following various press reports of possible problems with the final stages of this Bill, I have ascertained the latest position from the Department of Trade and Industry.

The Lords' Report stage is scheduled for October 14th, 16th and 20th, with Third Reading on 27th. The House of Commons will have to consider the Lords' amendments after this.

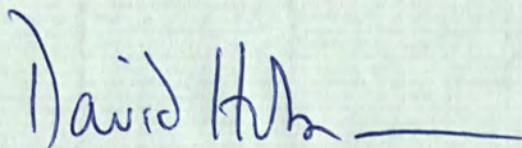
There are many amendments which will be grouped to facilitate their passage but which may worry the Government's leaders in the Lords, particularly as the Government's spokesmen are not outstandingly strong. The hope is that they will not lose their nerve as it is thought that both sides want to see the Bill passed.

Labour will, it is thought, concentrate on two points which the Government will and should oppose - the exclusion of Lloyd's from the Bill, and the intention that the Securities and Investment Board (SIB) should not be a statutory body.



Other points which may be debated by cross-benchers are:

- a) Bankers' responsibility for segregation of clients' moneys. It is thought that amendments will deal with this.
- b) Various points sponsored by the Law Society.
- c) The question of immunity for Recognised Professional Bodies (RPBs). The Government conceded this for the SIB and for Self-Regulatory Organisations (SROs) but not for RPBs such as the Law Society and the Institute of Chartered Accountants. The view is that so far the Government has lost the argument in debate but won the vote. When brought up again, they might lose both and, though the issue will be hard fought, if they lose the vote next time, they might have to concede.



DAVID HOBSON