
DRAFT STATUTORY INSTRUMENTS

2014 No.

The Bank Recovery and Resolution Order 2014

Asset management vehicle

19. After section 12 insert—

“Asset management vehicle

12ZA.—(1) The third stabilisation option is to transfer all or part of the business of—

- (a) the bank, or
- (b) a bridge bank to which shares or property, rights or liabilities of the bank have been transferred under section 12,

to an asset management vehicle.

(2) An “asset management vehicle” is an undertaking which—

- (a) is wholly or partially owned (directly or indirectly) by the Bank of England or the Treasury,
- (b) is controlled by the Bank of England, and
- (c) is created for the purpose of receiving some or all of the assets, rights and liabilities of one or more banks or of one or more bridge banks (or both).

(3) For the purpose of subsection (1) the Bank of England may make one or more property transfer instruments.

(4) An asset management vehicle must manage the assets transferred to it with a view to maximising their value through eventual sale or orderly wind down.

(5) The code of practice under section 5 must include provision about the management and control of asset management vehicles including, in particular, provision about—

- (a) setting objectives,
- (b) the content of the articles of association,
- (c) the content of reports under section 80(1),
- (d) different arrangements for management and control at different stages, and
- (e) eventual disposal.

(6) Where property, rights or liabilities are transferred to an asset management vehicle pursuant to the third stabilisation option, the Bank of England may make one or more supplemental property transfer instruments transferring any of that property, or those rights or liabilities, to one or more other asset management vehicles.”