
DRAFT STATUTORY INSTRUMENTS

2014 No.

The Bank Recovery and Resolution Order 2014

General continuity obligation: property transfers

71.—(1) Section 63 (general continuity obligation: property transfers)⁽¹⁾ is amended as follows.

(2) In subsection (1)—

- (a) in paragraph (a), after “12(2)” insert “, 12ZA(3)”, and
- (b) in paragraph (e), for “bridge bank” substitute “resolution company”.

(3) After subsection (1) insert—

“(1A) In this section a reference to insolvency includes a reference to (i) liquidation, (ii) bank insolvency, (iii) administration, (iv) bank administration, (v) receivership, (vi) composition with creditors and (vii) a scheme of arrangement.”.

(4) After subsection (3) insert—

“(3A) The continuity obligation continues to apply despite the residual bank or group company entering insolvency, and may not be disclaimed by a liquidator under section 178(2) of the Insolvency Act 1986⁽²⁾ or Article 152(2) of the Insolvency (Northern Ireland) Order 1989⁽³⁾.”.

(5) After subsection (4) insert—

“(4A) But if the services and facilities provided in pursuance of the continuity obligation were provided to the bank whose business has been transferred, under an agreement with that bank, before the property transfer instrument providing for the transfer was made, they are to continue for the duration of that agreement to be provided on the terms set out in that agreement (and subsection (4) does not apply).”.

⁽¹⁾ Section 63 was amended by paragraph 17 of Schedule 2 to the Financial Services (Banking Reform) Act 2013 (c.33).

⁽²⁾ 1986 c.45.

⁽³⁾ SI 1989/2405 (N.I. 19).