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DRAFT STATUTORY INSTRUMENTS

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**2015 No.**

**The Financial Services and Markets Act 2000  
(Banking Reform) (Pensions) Regulations 2015**

**Applications to court**

5.—(1) The court may, on the application of a ring-fenced body, by order require any other party to a shared liability arrangement to enter into an arrangement releasing the ring-fenced body from liability under the shared liability arrangement (“release arrangement”) on the terms offered by the ring-fenced body, provided that the court is satisfied that those terms—

- (a) are commercial terms; and
- (b) are fair and reasonable in all the circumstances.

(2) “Commercial terms” are terms on which, in the court’s opinion, a release arrangement might be entered into if it was being entered into for commercial reasons between willing parties dealing at arms’ length.

(3) The court may vary the terms of the release arrangement offered by the ring-fenced body where the court considers that this is necessary to satisfy the conditions set out in paragraph (1)(a) and (b) and may in particular require the payment of any sum by instalments.

(4) The court may, on the application of a ring-fenced body, provide that the steps required to be taken by one or more of the trustees or managers of an existing pension scheme or the consent of one or more of the employers in relation to that scheme is not required to give effect to the modification which is the subject of the application.

(5) The court may only make an order under paragraph (4) where it is satisfied that the refusal of the trustee or manager in question to take the steps required to give effect, or the employer in question to give its consent, to the modification which is the subject of the application is unreasonable.

(6) In making an order under paragraph (4) the court may direct any person to take steps to give effect to the modification which is the subject of the order.