



Banking Act 2009

2009 CHAPTER 1

PART 1

SPECIAL RESOLUTION REGIME

[^{F1}CHAPTER 3

SPECIAL RESOLUTION ACTION]

The stabilisation options

12 Bridge bank

- (1) The second stabilisation option is to transfer all or part of the business of the bank to a company which [^{F1}meets the requirements of subsection (1A)] (a “bridge bank”).

[^{F2}(1A) Those requirements are that the company—

- (a) is wholly or partially owned by the Bank of England,
 - (b) is controlled by the Bank, and
 - (c) is created for the purposes of receiving a transfer by virtue of this section with a view to maintaining access to critical functions and (in due course) selling the bank or its business.
- (2) For the purpose of subsection (1) the Bank of England may make—
- (a) one or more share transfer instruments;
 - (b) one or more property transfer instruments.]
- (3) The code of practice under section 5 must include provision about the management and control of bridge banks 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),

Changes to legislation: Banking Act 2009, Section 12 is up to date with all changes known to be in force on or before 03 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

- (d) different arrangements for management and control at different stages, and
- (e) eventual disposal.

[^{F3}(3A) Where—

- (a) all or substantially all of the bridge bank’s assets, rights and liabilities have been transferred to a third party, or
- (b) following a transfer to the bridge bank under this section, no further transfer to the bridge bank is made under this section during the relevant post-transfer period,

the Bank of England must, without delay, take all necessary steps to wind up the bridge bank.

(3B) But subsection (3A)(b) does not apply if the bridge bank—

- (a) has merged with another entity,
- (b) has ceased to meet the requirements of subsection (1A)(a) or (b), or
- (c) has already been wound up.

(3C) “The relevant post-transfer period” means the period of two years beginning with the day of the transfer mentioned in subsection (3A)(a), subject to any extension under subsection (3D).

(3D) The Bank of England may extend (or further extend) the relevant post-transfer period by one year if it is satisfied that the extension—

- (a) would support one or more of the outcomes mentioned in subsection (3A)(a) or (3B)(a), (b) or (c), or
- (b) is necessary to ensure the continuity of essential banking or financial services.]

(4) Where property, rights or liabilities are first transferred by property transfer instrument to a bridge bank and later transferred (whether or not by the exercise of a power under this Part) to another company which [^{F4}meets the requirements of subsection (1A)], that other company is an “onward bridge bank”.

(5) An onward bridge bank—

- (a) is a bridge bank for the purposes of—
 - [^{F5}(i) subsections (3) to (3B),
 - (ia) section 8ZA(3)(b),
 - (ib) section 12ZA(1)(b) and (2)(c),]
 - (ii) section 77,
 - (iii) section 79, and
 - (iv) section 80(5), but
- (b) is not a bridge bank for the purposes of—
 - (i) section 30(1),
 - (ii) section 43(1), or
 - (iii) section 80(1).

Textual Amendments

F1 Words in s. 12(1) substituted (1.1.2015) by [The Bank Recovery and Resolution Order 2014 \(S.I. 2014/3329\)](#), arts. 1(2), **18(2)**

F2 S. 12(1A)(2) substituted for s. 12(2) (1.1.2015) by [The Bank Recovery and Resolution Order 2014 \(S.I. 2014/3329\)](#), arts. 1(2), **18(3)**

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- F3** S. 12(3A)-(3D) inserted (1.1.2015) by [The Bank Recovery and Resolution Order 2014 \(S.I. 2014/3329\)](#), arts. 1(2), **18(4)**
- F4** Words in s. 12(4) substituted (1.1.2015) by [The Bank Recovery and Resolution Order 2014 \(S.I. 2014/3329\)](#), arts. 1(2), **18(5)**
- F5** S. 12(5)(a)(i)-(ib) substituted for s. 12(5)(a)(i) (1.1.2015) by [The Bank Recovery and Resolution Order 2014 \(S.I. 2014/3329\)](#), arts. 1(2), **18(6)**

Commencement Information

- I1** S. 12 in force at 17.2.2009 for specified purposes by [S.I. 2009/296](#), arts. 2, 3, Sch. para. 1
- I2** S. 12 in force at 21.2.2009 in so far as not already in force by [S.I. 2009/296](#), arts. 2, 3, **Sch. para. 1**

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 4(8A)(8B) inserted by [2012 c. 21 s. 96\(3\)](#)
- s. 8(2)(d) and word inserted by [2012 c. 21 s. 96\(4\)\(b\)](#)