



# Banking Act 2009

## 2009 CHAPTER 1

### PART 1

#### SPECIAL RESOLUTION REGIME

##### *Incidental functions*

#### 66 General continuity obligation: share transfers

(1) In this section and section 67—

- (a) “transferred bank” means a bank all or part of the ownership of which has been transferred in accordance with section 11(2)(a) or 13(2)<sup>[F1]</sup>, or which falls within subsection (1A)],
- (b) “former group company” means anything which was a group undertaking in relation to the transferred bank immediately before the transfer (whether or not it is also a group undertaking in relation to the transferred bank immediately after the transfer),
- (c) “group undertaking” has the meaning given by section 1161(5) of the Companies Act 2006 (interpretation), and
- (d) “the continuity authority” means—
  - (i) the Bank of England, where ownership was transferred in accordance with section 11(2)(a)<sup>[F2]</sup>, or in a case falling within subsection (1A)], and
  - (ii) the Treasury, where ownership was transferred in accordance with section 13(2).

<sup>[F3]</sup>(1A) A bank falls within this subsection if a resolution instrument (or supplemental resolution instrument) has changed the ownership of the bank (wholly or partly) by providing for the transfer, cancellation or conversion from one form or class to another of securities issued by the bank (and the reference in subsection (1)(b) to “the transfer” includes such a cancellation or conversion).]

*Status: Point in time view as at 31/12/2014. This version of this provision has been superseded.*

*Changes to legislation: Banking Act 2009, Section 66 is up to date with all changes known to be in force on or before 16 August 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)*

- (2) Each former group company must provide such services and facilities as are required to enable the transferred bank to operate effectively.
- (3) The duty under subsection (2) (the “continuity obligation”) may be enforced as if created by contract between the transferred bank and the former group company.
- (4) The duty to provide services and facilities in pursuance of the continuity obligation is subject to a right to receive reasonable consideration.
- (5) The continuity obligation is not limited to the provision of services or facilities directly to the transferred bank.
- (6) The continuity authority may by notice to a former group company state that in the authority’s opinion—
  - (a) specified activities are required to be undertaken in accordance with the continuity obligation;
  - (b) activities are required be undertaken in accordance with the continuity obligation on specified terms.
- (7) A notice under subsection (6) shall be determinative of the nature and extent of the continuity obligation as from the time when the notice is given.
- (8) The Bank of England may act under or by virtue of subsection (6) only with the consent of the Treasury.

#### Textual Amendments

- F1** Words in s. 66(1)(a) inserted (31.12.2014) by [Financial Services \(Banking Reform\) Act 2013 \(c. 33\)](#), s. 148(5), [Sch. 2 para. 18\(a\)](#); S.I. 2014/3160, art. 2(1)(b)
- F2** Words in s. 66(1)(d)(i) inserted (31.12.2014) by [Financial Services \(Banking Reform\) Act 2013 \(c. 33\)](#), s. 148(5), [Sch. 2 para. 18\(b\)](#); S.I. 2014/3160, art. 2(1)(b)
- F3** S. 66(1A) inserted (31.12.2014) by [Financial Services \(Banking Reform\) Act 2013 \(c. 33\)](#), s. 148(5), [Sch. 2 para. 18\(c\)](#); S.I. 2014/3160, art. 2(1)(b)

#### Commencement Information

- I1** S. 66 in force at 21.2.2009 by [S.I. 2009/296](#), art. 3, [Sch. para. 1](#)

**Status:**

Point in time view as at 31/12/2014. This version of this provision has been superseded.

**Changes to legislation:**

Banking Act 2009, Section 66 is up to date with all changes known to be in force on or before 16 August 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.