



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),
 - (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), and
 - (ii) the Treasury, where ownership was transferred in accordance with section 13(2).
- (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.

Status: This is the original version (as it was originally enacted).

- (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.