



Banking Act 2009

2009 CHAPTER 1

PART 1

SPECIAL RESOLUTION REGIME

[^{F1}CHAPTER 3

SPECIAL RESOLUTION ACTION]

Incidental functions

[^{F1}70B. Restriction of security interests

- (1) Where the Bank of England is exercising a stabilisation power in respect of bank, the Bank may suspend the rights of a secured creditor of the bank to enforce any security interest the creditor has in relation to any assets of the bank.
- (2) A suspension under subsection (1)—
 - (a) begins when the instrument providing for the suspension is first published, and
 - (b) must end no later than midnight at the end of the first business day following the day on which that instrument is published.
- (3) But the Bank of England may not suspend the rights of an excluded person to enforce any security interest that person may have in relation to any asset of the bank under resolution which has been pledged or provided to the excluded person in question as collateral or as cover for margin.
- (4) The power under subsection (1) must be exercised by way of provision in a share transfer instrument, property transfer instrument, resolution instrument or third-country instrument.
- (5) Where the power in subsection (1) is being exercised in a partial property transfer, the Bank of England must ensure that any restrictions on the enforcement of security

Changes to legislation: Banking Act 2009, Section 70B is up to date with all changes known to be in force on or before 18 June 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

interests which it imposes under that subsection are applied consistently for all banking group companies in respect of which the Bank is exercising a stabilisation power.

- (6) The Bank of England must have regard to the impact a suspension might have on the orderly functioning of the financial markets before exercising the power in subsection (1).
- (7) For the purposes of this section, a “security interest” means an interest or right held for the purpose of securing the payment of money or the performance of any other obligation.]

Textual Amendments

- F1** Ss. 70A-70D inserted (1.1.2015) by [The Bank Recovery and Resolution Order 2014 \(S.I. 2014/3329\)](#), arts. 1(2), **77**
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Modifications etc. (not altering text)

- C1** Ss. 70A-70C restricted (28.12.2020 until IP completion day when the amending provision ceases to have effect in accordance with reg. 1(4) of the amending S.I.) by [The Bank Recovery and Resolution \(Amendment\) \(EU Exit\) Regulations 2020 \(S.I. 2020/1350\)](#), regs. 1(4), **87** (with reg. 88)
- C2** Ss. 70A-70C modified (31.12.2020 immediately before IP completion day) by S.I. 2019/341, reg. 18(2) (as inserted by [The Financial Services \(Miscellaneous\) \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/710\)](#), regs. 1(2), **20(5)**; 2020 c. 1, Sch. 5 para. 1(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\(4\)\(b\)](#)