



Banking Act 2009

2009 CHAPTER 1

PART 1

SPECIAL RESOLUTION REGIME

[^{F1}CHAPTER 3

SPECIAL RESOLUTION ACTION]

[^{F1}Groups]

[^{F1}81B Sale to commercial purchaser and transfer to bridge bank

(1) The Bank of England may exercise a stabilisation power in respect of a banking group company in accordance with section 11(2) or 12(2) if the following conditions are met.

[^{F2}(2) Condition 1 is that—

(a) the PRA is satisfied that Condition 1 of the general conditions is met in respect of a bank in the same group and the Bank of England is satisfied that Conditions 2, 3 and 4 of the general conditions are met in respect of that bank, or

^{F3}(b)

(c) a relevant third-country authority of a third-country institution in the same group is satisfied that any conditions required by the law of the third country to be met before third-country resolution action may be taken are met in relation to that third-country institution.

(2A) For the purposes of determining if a requirement of Condition 1 is met, the PRA, Bank of England ^{F4}... or relevant third-country authority (as the case may be) may ignore any transfer of losses or capital made between members of the group.]

(3) Condition 2 (which does not apply in a financial assistance case) is that the Bank of England is satisfied that the exercise of the power in respect of the banking group

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company is necessary, having regard to the [^{F5}public interest in the advancement of one or more of the special resolution objectives.]

- (4) Condition 3 (which applies only in a financial assistance case) is that—
- (a) the Treasury have recommended the Bank of England to exercise a stabilisation power on the grounds that it is necessary to protect the public interest, and
 - (b) in the Bank's opinion, exercise of the power in respect of the banking group company is an appropriate way to provide that protection.
- (5) Condition 4 is that the banking group company is an undertaking incorporated in, or formed under the law of any part of, the United Kingdom.
- (6) Before determining whether Condition 2 or 3 (as appropriate) is met, the Bank of England must consult—
- (a) the Treasury,
 - (b) the PRA, and
 - (c) the FCA.
- (7) In exercising a stabilisation power in reliance on this section the Bank of England must have regard to the need to minimise the effect of the exercise of the power on other undertakings in the same group.
- (8) In this section “financial assistance case” means a case in which the Treasury notify the Bank of England that they have provided financial assistance in respect of a bank in the same group for the purpose of resolving or reducing a serious threat to the stability of the financial systems of the United Kingdom.

[In this section—

^{F6}(9)

^{F7} ...

^{F7} ...

“the general conditions” means the general conditions for the exercise of a stabilisation power set out in section 7;

“relevant third-country authority” has the meaning given by [^{F8}section 81AA(14)];

“third-country institution” has the meaning given by section 89H(7);

“third-country resolution action” has the meaning given by section 89H(7).]]

Textual Amendments

- F1** Ss. 81B-81D inserted (5.6.2014 for specified purposes, 1.8.2014 in so far as not already in force) by [Financial Services Act 2012 \(c. 21\), ss. 100\(5\), 122\(3\) \(with Sch. 20\); S.I. 2014/1447, art. 2\(b\); S.I. 2014/1847, art. 2](#)
- F2** S. 81B(2)(A) substituted for s. 81B(2) (1.1.2015) by [The Bank Recovery and Resolution Order 2014 \(S.I. 2014/3329\), arts. 1\(2\), 90\(2\)](#)
- F3** S. 81B(2)(b) omitted (31.12.2020) by virtue of [The Bank Recovery and Resolution and Miscellaneous Provisions \(Amendment\) \(EU Exit\) Regulations 2018 \(S.I. 2018/1394\), reg. 1\(2\), Sch. 1 para. 30\(2\); 2020 c. 1, Sch. 5 para. 1\(1\)](#)
- F4** Words in s. 81B(2A) omitted (31.12.2020) by virtue of [The Bank Recovery and Resolution and Miscellaneous Provisions \(Amendment\) \(EU Exit\) Regulations 2018 \(S.I. 2018/1394\), reg. 1\(2\), Sch. 1 para. 30\(3\); 2020 c. 1, Sch. 5 para. 1\(1\)](#)

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- F5** Words in s. 81B(3) substituted (1.1.2015) by [The Bank Recovery and Resolution Order 2014 \(S.I. 2014/3329\)](#), arts. 1(2), **90(3)**
- F6** S. 81B(9) inserted (1.1.2015) by [The Bank Recovery and Resolution Order 2014 \(S.I. 2014/3329\)](#), arts. 1(2), **90(4)**
- F7** Words in s. 81B(9) omitted (31.12.2020) by virtue of [The Bank Recovery and Resolution and Miscellaneous Provisions \(Amendment\) \(EU Exit\) Regulations 2018 \(S.I. 2018/1394\)](#), reg. 1(2), **Sch. 1 para. 30(4)(a)**; 2020 c. 1, Sch. 5 para. 1(1)
- F8** Words in s. 81B(9) substituted (31.12.2020) by [The Bank Recovery and Resolution and Miscellaneous Provisions \(Amendment\) \(EU Exit\) Regulations 2018 \(S.I. 2018/1394\)](#), reg. 1(2), **Sch. 1 para. 30(4)(b)**; 2020 c. 1, Sch. 5 para. 1(1)

Modifications etc. (not altering text)

- C1** S. 81B modified (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), **92(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\(4\)\(b\)](#)