



Banking Act 2009

2009 CHAPTER 1

PART 1

SPECIAL RESOLUTION REGIME

[^{F1}CHAPTER 3

SPECIAL RESOLUTION ACTION]

[^{F1}Groups]

[^{F1}[^{F2}81ZBB] **Transfer to asset management vehicle: supplemental powers in relation to certain holding companies**

- (1) Without prejudice to the operation of section 81ZBA, the Bank of England may exercise a stabilisation power in respect of a banking group company in accordance with section 12ZA(3) if the following conditions are met.
- (2) Condition 1 is that the banking group company is an undertaking incorporated in, or formed under the law of any part of, the United Kingdom.
- (3) Condition 2 is that the banking group company is an entity within [^{F3}subsection (2A) of section 81AA].
- (4) Condition 3 is that the PRA is satisfied that the banking group company is failing or likely to fail.
- (5) Condition 4 is that the Bank of England is satisfied that, having regard to timing and other relevant circumstances, it is not reasonably likely that (ignoring the stabilisation powers) action will be taken by or in respect of the banking group company that will result in Condition 3 ceasing to be met.

Changes to legislation: Banking Act 2009, Section 81ZBB is up to date with all changes known to be in force on or before 26 May 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

- (6) Condition 5 is that the power is exercised in connection with the exercise of one or more stabilisation powers in respect of the banking group company otherwise than for the purposes of the third stabilisation option.
- (7) Condition 6 is that the Bank of England is satisfied that the exercise of the power in respect of the banking group company is necessary, having regard to the public interest in the advancement of one or more of the special resolution objectives.
- (8) Condition 7 is that the Bank of England is satisfied that one or more of the special resolution objectives would not be met to the same extent by the winding up of the banking group company.
- (9) Condition 8 (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 of England’s opinion, exercise of the power in respect of the banking group company is an appropriate way to provide that protection.
- (10) Condition 9 is that the Bank of England is satisfied that—
- (a) the situation of the market for the assets which it is proposed to transfer by the exercise of the stabilisation power is of such a nature that the liquidation of those assets under normal insolvency proceedings could have an adverse effect on one or more financial markets,
 - (b) the transfer is necessary to ensure the proper functioning of the banking group company from which the transfer is to be made, or
 - (c) the transfer is necessary to maximise the proceeds available for distribution.
- (11) In this section—
- “financial assistance case” has the meaning given in section 81B(8); ^{F4} ...
^{F5} ...]]

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** Ss. 81ZBB, 81ZBC inserted (28.12.2020) by [The Bank Recovery and Resolution \(Amendment\) \(EU Exit\) Regulations 2020 \(S.I. 2020/1350\)](#), regs. 1(2), **15**
- F3** Words in s. 81ZBB(3) substituted (31.12.2020) by [The Bank Recovery and Resolution \(Amendment\) \(EU Exit\) Regulations 2020 \(S.I. 2020/1350\)](#), regs. 1(3), **67(a)**
- F4** Word in s. 81ZBB(11) omitted (31.12.2020) by virtue of [The Bank Recovery and Resolution \(Amendment\) \(EU Exit\) Regulations 2020 \(S.I. 2020/1350\)](#), regs. 1(3), **67(b)(i)**
- F5** Words in s. 81ZBB(11) omitted (31.12.2020) by virtue of [The Bank Recovery and Resolution \(Amendment\) \(EU Exit\) Regulations 2020 \(S.I. 2020/1350\)](#), regs. 1(3), **67(b)(ii)**

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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\(4\)\(b\)](#)