



Banking Act 2009

2009 CHAPTER 1

PART 1

SPECIAL RESOLUTION REGIME

[^{F1}CHAPTER 6

THIRD-COUNTRY RESOLUTION ACTIONS

Third-country resolution actions

[^{F1}89I. Effect of recognition of third-country resolution action by Bank of England

- (1) This section applies where an instrument under section 89H recognises any third-country resolution action (or a part of it).
- (2) The third-country resolution action (or part) produces the same legal effects in any part of the United Kingdom as it would have produced had it been made (with due authority) under the law of that part of the United Kingdom.
- (3) For the purposes of supporting, or giving full effect to, the third-country resolution action (or the part), the Bank of England may exercise, in relation to a third-country institution, a third-country parent undertaking or another third-country group company, one or more of the stabilisation options, or one or more of the stabilisation powers, available to the Bank in relation to a similar entity in the United Kingdom.
- (4) But, for the purposes of exercising a power by virtue of subsection (3), provision which could otherwise be made under this Part in a mandatory reduction instrument, share transfer instrument, property transfer instrument or resolution instrument may instead be made in—
 - (a) the instrument made under section 89H recognising the third-country resolution action (or part), or
 - (b) a further instrument made by the Bank of England under this section.

Status: Point in time view as at 28/12/2020. This version of this provision has been superseded.

Changes to legislation: Banking Act 2009, Section 89I is up to date with all changes known to be in force on or before 11 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)

An instrument under paragraph (b) is a “third-country instrument” (as is an instrument under section 89H(2)(a), (b) or (c)).

(5) This Part (other than this section) applies in relation to the exercise of any power by virtue of subsection (3), subject to subsections (6) to [F²(9A)] and any other necessary modifications.

(6) Section 4 (special resolution objectives) has effect as if after subsection (9) there were inserted—

“(9A) Objective 8 is to support third-country resolution action with a view to promoting objectives which, in relation to the third country concerned, correspond to Objectives 1 to 7 in relation to the United Kingdom.”.

(7) Sections 7 to 8ZA do not apply.

(8) Section 60B (principle of no less favourable treatment) applies in relation to compensation arrangements in the case of third-country instruments in relation to any third-country resolution action (or a part of it) as if—

- (a) references to the initial instrument were to the first third-country instrument under section 89H recognising that action (or part), and
- (b) in subsection (3) the reference to the coming into effect of the initial instrument were a reference to the taking of the third-country resolution action recognised (or recognised in part) by that instrument.

(9) Section 81B, 81ZBA and 81BA have effect in relation to the exercise of a stabilisation power in respect of a third-country group company as if for subsections (2) and (3) (in each case) there were substituted—

“(2) Condition 1 is that third-country resolution action has been taken in respect of a third-country institution, a third-country parent undertaking or another third-country group company, in the same group.

(3) Condition 2 is that the Bank of England is satisfied that the exercise of the power in respect of the third-country group company is necessary, having regard to the public interest in the stability of the financial systems of the United Kingdom and the third-country concerned.

(3A) In subsections (2) and (3) “third-country resolution action”, “third-country institution”, “third-country parent undertaking”, “third-country group company” and “third country” have the meaning given by section 89H(7).”.

[Sections 81ZZBA, 81ZZBB, 81ZBB, 81ZBC, 81BB and 81BC do not apply.]

F³(9A)

(10) Section 89H(7) applies for the purposes of this section.]

Textual Amendments

- F1** Pt. 1 Ch. 6, 7 inserted (1.1.2015) by [The Bank Recovery and Resolution Order 2014 \(S.I. 2014/3329\)](#), arts. 1(2), **103**
- F2** Word in s. 89I(5) substituted (28.12.2020) by [The Bank Recovery and Resolution \(Amendment\) \(EU Exit\) Regulations 2020 \(S.I. 2020/1350\)](#), regs. 1(2), **23(a)**
- F3** S. 89I(9A) inserted (28.12.2020) by [The Bank Recovery and Resolution \(Amendment\) \(EU Exit\) Regulations 2020 \(S.I. 2020/1350\)](#), regs. 1(2), **23(b)**

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