

*Status: Point in time view as at 01/03/2014.*

*Changes to legislation: There are currently no known outstanding effects for the Financial Services (Banking Reform) Act 2013, Paragraph 5. (See end of Document for details)*

## SCHEDULES

### SCHEDULE 1

#### RING-FENCING TRANSFER SCHEMES

5 After section 106A insert—

#### “106B Ring-fencing transfer scheme

- (1) A scheme is a ring-fencing transfer scheme if it—
  - (a) is one under which the whole or part of the business carried on—
    - (i) by a UK authorised person, or
    - (ii) by a qualifying body,is to be transferred to another body (“the transferee”),
  - (b) is to be made for one or more of the purposes mentioned in subsection (3), and
  - (c) is not an excluded scheme or an insurance business transfer scheme.
- (2) “Qualifying body” means a body which—
  - (a) is incorporated in the United Kingdom,
  - (b) is a member of the group of a UK authorised person, and
  - (c) is not itself an authorised person.
- (3) The purposes are—
  - (a) enabling a UK authorised person to carry on core activities as a ring-fenced body in compliance with the ring-fencing provisions;
  - (b) enabling the transferee to carry on core activities as a ring-fenced body in compliance with the ring-fencing provisions;
  - (c) making provision in connection with the implementation of proposals that would involve a body corporate whose group includes the body corporate to whose business the scheme relates becoming a ring-fenced body while one or more other members of its group are not ring-fenced bodies;
  - (d) making provision in connection with the implementation of proposals that would involve a body corporate whose group includes the transferee becoming a ring-fenced body while one or more other members of the transferee's group are not ring-fenced bodies.
- (4) A scheme is an excluded scheme for the purposes of this section if—
  - (a) the body to whose business the scheme relates is a building society or credit union, or
  - (b) the scheme is a compromise or arrangement to which Part 27 of the Companies Act 2006 (mergers and divisions of public companies) applies.

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- (5) For the purposes of subsection (1)(a) it is immaterial whether or not the business to be transferred is carried on in the United Kingdom.
- (6) “UK authorised person” has the same meaning as in section 105.
- (7) “Building society” and “credit union” have the same meanings as in section 106.
- (8) “The ring-fencing provisions” means ring-fencing rules and the duty imposed as a result of section 142G.”

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**Commencement Information**

**II** Sch. 1 para. 5 in force at 1.3.2014 by S.I. 2014/377, art. 2(1)(a), Sch. Pt. 1

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