

SCHEDULE

Regulation 2

SPECIFIC MODIFICATIONS

Table 1: Modifications to sections of Part 3 of the Act

<i>Section and subject</i>	<i>Modification or Comment</i>
136 Overview	For subsection (2)(a) substitute— “(a) it is used where— (i) a bank or a bank holding company has been transferred into temporary public ownership in accordance with section 13(2) (including as applied by section 82(1)), and (ii) the Treasury make a property transfer order in accordance with section 45(2) to transfer part of the business of a bank to a private sector transferee or an onward public sector transferee, and it can also be used in certain cases of multiple transfers under Part 1.”
	In subsection (2)(c) for “the commercial purchaser (“private sector purchaser”) or the transferee (“the bridge bank”)” substitute “the private sector transferee or the onward public sector transferee”.
137 Objectives	In subsection (1)(a) for “commercial purchaser or bridge bank” substitute “the private sector transferee or the onward public sector transferee”.
138 Objective 1: supporting private sector purchaser or bridge bank	For the heading, substitute “Objective 1: supporting the private sector transferee or onward public sector transferee”.
	In subsection (1) for “private sector purchaser or bridge bank” substitute “the private sector transferee or onward public sector transferee”.
	In subsection (3) for— (a) “a private sector purchase” substitute “a transfer to a private sector transferee”; (b) “private sector purchaser” substitute “private sector transferee” (in each place).
	In subsection (4) for “bridge bank” substitute “a company wholly owned by the Bank of England”.
	Regulation 3 does not apply to subsection (4).
	After subsection (4) insert— “(4A) In the case of bank administration following a transfer from a bank in temporary public ownership to a company wholly owned by the Treasury or a nominee of the Treasury (“the company”), the bank administrator must co-operate with any request of the Treasury to enter into an agreement for the residual bank to provide services or facilities to the company; and—

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<i>Section and subject</i>	<i>Modification or Comment</i>
	<ul style="list-style-type: none"> (a) the bank administrator must avoid action that is likely to prejudice performance by the residual bank of its obligations in accordance with an agreement, (b) the bank administrator must ensure that so far as is reasonably practicable an agreement includes provision for consideration at market rate, (c) paragraph (b) does not prevent the bank administrator from entering into an agreement on any terms that the bank administrator thinks necessary in pursuit of Objective 1, and (d) this subsection does not apply after Objective 1 ceases.”.
139 Objective 1: duration	In subsections (1) and (3) for “private sector purchaser or bridge bank” substitute “the private sector transferee or the onward public sector transferee”.
140 Objective 2: “normal” administration	In subsection (3) for “bridge bank” substitute “the onward public sector transferee”.
143 Grounds for applying	In subsection (2) for “section 11(2) or 12(2)” substitute “section 45(2)”.
148 Sharing information	<p>Section 148 is applied following a transfer to a company wholly owned by the Bank of England with the following modifications—</p> <ul style="list-style-type: none"> (a) for subsection (2) substitute— <ul style="list-style-type: none"> “(2) Within the period of 5 days beginning with the day on which the bank administrator is appointed, the Bank of England must give the bank administrator information about the financial position of the company wholly owned by the Bank and the Treasury must give the bank administrator information about the financial position of the residual bank.”; (b) in subsection (3) for “bridge bank” substitute “company wholly owned by the Bank of England” (in each place); (c) in subsection (4)(a), (b) and (e) after “Bank of England” or “the Bank” add “and the Treasury” (in each place); (d) in subsection (4)(c), (d) and (e) for “bridge bank” substitute “the company wholly owned by the Bank of England and the Treasury” (in each place). <p>Section 148 is applied following a transfer to a company wholly owned by the Treasury or a nominee of the Treasury with the following modifications—</p> <ul style="list-style-type: none"> (e) for “bridge bank” substitute “a company wholly owned by the Treasury or a nominee of the Treasury” (in each place); (f) for “Bank of England” substitute “the Treasury” (in each place).
150 Bridge bank to private sector purchaser	For the heading, substitute “Onward public sector transferee: company wholly owned by the Treasury or a nominee of the Treasury to private purchaser”.

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<i>Section and subject</i>	<i>Modification or Comment</i>
	Section 150 is applied following a transfer to a company wholly owned by the Treasury or a nominee of the Treasury with the following modifications— (g) for “bridge bank” substitute “a company wholly owned by the Treasury or a nominee of the Treasury” (in each place); (h) for “Bank of England” substitute “the Treasury” (in each place).
151 Property transfer from bridge bank	Ignore.
157 Other processes	For subsection (2)(a) substitute— “(a) “residual bank” means a bank all or part of whose business has been transferred to a private sector transferee or an onward public sector transferee in accordance with section 45(2).”.

Table 2: Modifications to Table 1 of Applied Provisions in section 145 of the Act: Schedule B1 to the Insolvency Act 1986

<i>Provision of Schedule B1</i>	<i>Subject</i>	<i>Modification or comment</i>
Para. 49	Administrator’s proposals	Ignore paragraph (c) of the Table.
Paras. 50 to 58	Creditors’ meeting	For paragraph (d) of the Table substitute— “(d) Until that time a committee shall have the functions of the creditors committee. The committee shall be formed of 3 individuals, one nominated by each of— (i) the Treasury, (ii) the Bank of England, and (iii) the FSA.”.