
STATUTORY INSTRUMENTS

2014 No. 3348

The Bank Recovery and Resolution (No. 2) Order 2014

PART 7

Intra-group financial support

CHAPTER 3

Approval of authorised agreements by the members of a UK group entity

Interpretation of Chapter 3

97.—(1) In this Chapter—

“authorised agreement” means a group financial support agreement (within the meaning given in Chapter 1) authorised by the PRA [^{F1}or FCA], and includes any amendment authorised [^{F2}by the PRA or FCA];

“director” includes—

- (a) a director of a company;
- (b) a member of a limited liability partnership; and
- (c) a director of a building society established under the Building Societies Act 1986 ^{M1};

“member” includes—

- (a) a shareholder of a company;
- (b) a member of a limited liability partnership; and
- (c) a shareholding or borrowing member of a building society established under the Building Societies Act 1986 (“shareholding member” and “borrowing member” have the meaning given in paragraph 5(2) of Schedule 2 to that Act);

“ordinary resolution”—

- (a) in relation to a resolution passed at a meeting on a show of hands, means a resolution passed by a simple majority of the votes cast by those entitled to vote;
- (b) in relation to a resolution passed on a poll taken at a meeting, means a resolution passed by members representing a simple majority of the total voting rights of the members who (being entitled to do so) vote on the resolution;
- (c) in relation to a written resolution, means a resolution passed by members representing a simple majority of the total voting rights of those eligible to vote on a written resolution; and

“UK group entity”, in relation to an authorised agreement, means—

- (a) the relevant parent undertaking, if it is set up in the United Kingdom;
- (b) a group subsidiary set up in the United Kingdom.

(2) In this article, for the interpretation of “UK group entity”, the expressions “group subsidiary” and “relevant parent undertaking” have the meaning given in Chapter 1.

Textual Amendments

- F1** Words in art. 97 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. 3 para. 54(2)(a)**; 2020 c. 1, Sch. 5 para. 1(1)
- F2** Words in art. 97 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. 3 para. 54(2)(b)**; 2020 c. 1, Sch. 5 para. 1(1)
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Marginal Citations

- M1** 1986 c. 53.

Requirement for approval of authorised agreement

98.—(1) An authorised agreement entered into by a UK group entity is only valid in respect of that entity if its members have approved the agreement in accordance with this article.

(2) An authorised agreement is deemed to be approved by the members of a UK group entity if an ordinary resolution approving the agreement is passed by the members—

- (a) present and voting either in person or by proxy at a meeting; or
- (b) by way of a written resolution proposed by the directors of the entity.

(3) An ordinary resolution may not be passed unless the directors of the entity make available to its members a memorandum setting out the proposed resolution and the terms of the authorised agreement—

- (a) in the case of a written resolution, by sending the memorandum to every member at or before the time at which the proposed resolution is submitted to the members;
- (b) in the case of a resolution at a meeting, by making the memorandum available for inspection by the members—
 - (i) at the entity's registered office for not less than fifteen days ending with the date of the meeting; and
 - (ii) at the meeting itself.

[^{F3}Publication of information concerning group financial support agreements

98A. The PRA and the FCA may each make technical standards relating to the form and content of any description of entry into a group financial support agreement which the directors of a UK group entity are required to publish by rules made by the PRA or the FCA under Part 9A of FSMA.]

Textual Amendments

- F3** [Art. 98A](#) inserted (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. 3 para. 55**; 2020 c. 1, Sch. 5 para. 1(1)

Revocation of authorised agreement

99.—(1) This article applies where a UK group entity has entered into an authorised agreement which has been approved in accordance with article 98.

(2) The authorised agreement remains valid in respect of the UK group entity for as long as the members of the entity have not revoked their approval in accordance with this article.

(3) Paragraph (4) applies where at least five per cent. of the members of the entity require the directors to—

- (a) call a general meeting of the entity to determine whether their approval of the authorised agreement should be revoked; or
- (b) circulate a written resolution proposing that the approval should be revoked.

(4) The members' approval of the authorised agreement is revoked if an ordinary resolution revoking it is passed by the members—

- (a) present and voting either in person or by proxy at a general meeting; or
- (b) by way of a written resolution proposed by the directors.

(5) An ordinary resolution may not be passed unless the directors of the entity make available to its members a memorandum setting out the proposed resolution—

- (a) in the case of a written resolution, by sending the memorandum to every member at or before the time at which the proposed resolution is submitted to the members;
- (b) in the case of a resolution at a general meeting, by making the memorandum available for inspection by the members—
 - (i) at the entity's registered office for not less than fifteen days ending with the date of the meeting; and
 - (ii) at the meeting itself.

Obligation to provide annual report

100.—(1) The directors of the UK group entity which has entered into an authorised agreement must prepare an annual report on the performance of the agreement and the implementation of any decision taken pursuant to it.

(2) The directors must deliver a copy of the annual report to every member of the entity, electronically or by other means, no later than the first and each subsequent anniversary of the date on which the entity enters into the agreement.

Changes to legislation:

There are currently no known outstanding effects for the The Bank Recovery and Resolution (No. 2) Order 2014, CHAPTER 3.