

2023 No. 319

BANKS AND BANKING

**The Amendments of the Law (Resolution of Silicon Valley Bank
UK Limited) Order 2023**

Approved by both Houses of Parliament

Made - - - - at 7.36 a.m. on 13th March 2023

Coming into force - - at 8.00 a.m. on 13th March 2023

Laid before Parliament at 3.30 p.m. on 13th March 2023

This Order is made in exercise of the powers conferred by section 75 of the Banking Act 2009(a).

This Order is made for the purpose of enabling the powers under Part 1 of that Act to be used effectively in connection with the sale of Silicon Valley Bank UK Limited to a private sector purchaser (HSBC UK Bank plc).

In accordance with section 75(1) of that Act, the Treasury have had regard to the special resolution objectives.

In accordance with section 75(8) of that Act, the Treasury think it necessary to make this Order without a draft of it having been approved by a resolution of each House of Parliament.

Accordingly, the Treasury make the following Order.

Citation, commencement, extent and interpretation

1.—(1) This Order may be cited as the Amendments of the Law (Resolution of Silicon Valley Bank UK Limited) Order 2023.

(2) This Order comes into force on 13th March 2023 at 8.00 a.m.

(3) This Order extends to the United Kingdom.

(4) In this Order—

“FSMA” means the Financial Services and Markets Act 2000(b);

“the 2006 Act” means the Companies Act 2006(c);

(a) 2009 c. 1, to which there are amendments that are not relevant to this Order.

(b) 2000 c. 8.

(c) 2006 c. 46.

“HSBC UK Bank plc” means the company with that name which has the company registered number 09928412;

“Silicon Valley Bank UK Limited” means the company with that name on 13th March 2023, and which has the company registered number 12546585.

Modification of the Financial Services and Markets Act 2000 (Excluded Activities and Prohibitions) Order 2014

2.—(1) Article 14(4) of the Financial Services and Markets Act 2000 (Excluded Activities and Prohibitions) Order 2014(**a**) (prohibitions: financial institution exposures) is to have effect with the modification set out in paragraph (2) in relation to exposures incurred by HSBC UK Bank plc where Silicon Valley Bank UK Limited is the relevant financial institution.

(2) Paragraph (b)(i) is to be read as if the words “conducted on arm’s length terms” were omitted.

Modification of the FCA’s and PRA’s rule-making powers

3.—(1) Sections 137A(1), 137G(1) and 192XA(1) of FSMA(**b**) (the FCA’s general rules, the PRA’s general rules and PRA rules applying to holding companies) have effect as if modified by inserting at the end of both provisions—

“or for the purposes of, to facilitate, or in consequence of, the Silicon Valley Bank UK Limited Mandatory Reduction and Share Transfer Instrument 2023.”.

(2) Section 138A of FSMA(**c**) (modification or waiver of rules) is modified so it applies in relation to Silicon Valley Bank UK Limited—

- (a) in the absence of an application by Silicon Valley Bank UK Limited;
- (b) without any requirement for consent by Silicon Valley Bank UK Limited;
- (c) without the requirement that the regulator be satisfied about the matters referred to in subsection (4); and
- (d) subject instead to the condition that it appears to the regulator that modification or waiver (as the case may be) is necessary for the purposes of, to facilitate, or in consequence of, the Silicon Valley Bank UK Limited Mandatory Reduction and Share Transfer Instrument 2023.

Modification of the FCA’s and PRA’s duties to consult on rule changes

4.—(1) Sections 138I(1)(b) and (2) to (5), 138J(1)(b) and (2) to (5), 138K, 144D and 144E(6) of FSMA(**d**) (consultation by the FCA and PRA) do not apply in relation to rules made by the FCA or the PRA (as the case may be) if the rules are for the purposes of, to facilitate, or in consequence of, the Silicon Valley Bank UK Limited Mandatory Reduction and Share Transfer Instrument 2023.

(2) Section 139A(5) of FSMA(**e**) (power of the FCA to give guidance) has effect as if modified by inserting after “(consultation)”—

“as modified by article 4(1) of the Amendments of the Law (Resolution of Silicon Valley Bank UK Limited) Order 2023”.

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- (a) S.I. 2014/2080; article 14 was amended by S.I. 2016/1032.
 - (b) Sections 137A and 137G are in Part 9A, which was substituted for Part X by section 24(1) of the Financial Services Act 2012 (c. 21). Section 192XA was inserted by section 5(1)(b) of, and paragraph 7 of Schedule 3 to, the Financial Services Act 2021 (c. 22).
 - (c) Section 138A is in Part 9A, which was substituted for Part X by section 24(1) of the Financial Services Act 2012.
 - (d) Sections 138I, 138J, 138K, 144D and 144E are in Part 9A, which was substituted for Part X by section 24(1) of the Financial Services Act 2012. Sections 144D and 144E were inserted by Section 5(1)(a) of, and paragraph 1 of Part 1 of Schedule 3 to, the Financial Services Act 2021.
 - (e) Section 138A is in Part 9A, which was substituted for Part X by section 24(1) of the Financial Services Act 2012.

*Amanda Solloway
Andrew Stephenson*

At 7.36 a.m. on 13th March 2023 Two of the Lords Commissioners of His Majesty's Treasury

EXPLANATORY NOTE

(This note is not part of the Order)

The Order is made for the purpose of enabling Part 1 of the Banking Act 2009 to be used effectively in connection with the sale of Silicon Valley Bank UK Limited to a private sector purchaser.

Article 2 modifies the application of Article 14(4) of the Financial Services and Markets Act 2000 (Excluded Activities and Prohibitions) Order 2014 (S.I. 2014/2080) so that the requirement for transactions to take place at arms-length is removed.

Article 3 modifies certain rule-making powers in the Financial Services and Markets Act 2000 (c. 8) so that they are exercisable by the Prudential Regulation Authority and the Financial Conduct Authority in connection with the Silicon Valley Bank UK Limited Mandatory Reduction and Share Transfer Instrument 2023 (“the transfer instrument”).

Article 4 modifies certain duties of the FCA and the PRA to consult on rule changes, where the rules relate to the transfer instrument.

A full impact assessment has not been produced for this instrument, as no, or no significant, impact on the private, voluntary or public sector is foreseen.

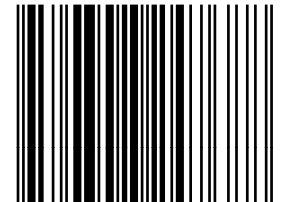
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