



Banking (Special Provisions) Act 2008

2008 CHAPTER 2

Transfer of property etc.

7 Compensation etc. for property etc. transferred

- (1) The Treasury must by order make provision—
 - (a) in relation to an order under section 6 providing for the transfer of property, rights or liabilities to a company within subsection (1)(a) of that section, for determining the amount of any compensation payable by the Treasury to the authorised UK deposit-taker concerned;
 - (b) in relation to an order under section 6 providing for the transfer of property, rights or liabilities to any other body, for determining the amount of any consideration payable by the transferee to the authorised UK deposit-taker concerned.
- (2) An order under this section may also make provision for extending provisions of the order, in any specified circumstances, to persons otherwise affected by any provision made in an order under section 6.
- (3) In determining the amount of any compensation payable by the Treasury by virtue of any provision in an order under this section, it must be assumed—
 - (a) that all financial assistance provided by the Bank of England or the Treasury to the deposit-taker in question has been withdrawn (whether by the making of a demand for repayment or otherwise), and
 - (b) that no financial assistance would in future be provided by the Bank of England or the Treasury to the deposit-taker in question (apart from ordinary market assistance offered by the Bank of England subject to its usual terms).
- (4) For the purposes of subsection (3)—
 - (a) the references to the provision of financial assistance by the Treasury to the deposit-taker include any case where the Chancellor of the Exchequer announces that the Treasury (whether acting alone or with the Bank of England) would, if necessary, put in place relevant guarantee arrangements in relation to the deposit-taker (as well as any case where any such arrangements are put in place, whether or not following such an announcement);

Status: This is the original version (as it was originally enacted).

- (b) “ordinary market assistance” means assistance provided as part of the Bank’s standing facilities in the sterling money markets or as part of the Bank’s open market operations in those markets.
- (5) It is immaterial whether the announcement mentioned in subsection (4)(a) is made before or after the passing of this Act.
- (6) An order under this section must be made within the period of 3 months beginning with the day on which the order under section 6 is made.
- (7) But nothing in subsection (6) prevents the making, at any time after the end of that period, of a second or subsequent order under this section in relation to the order under section 6.