

*These notes refer to the Banking Act 2009 (c.1)
which received Royal Assent on 12 February 2009*

BANKING ACT 2009

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 3: Bank Administration Procedure

Introduction

Section 137: Objectives

320. The bank administrator has specific statutory objectives. First, either to provide support to the bridge bank or private sector purchaser. Once such support is no longer required, the objective is to achieve either of the two principle aims of an ordinary administration - either to rescue the company as a going concern or to achieve a better result for creditors than in an immediate liquidation.
321. *Subsection (2)* provides that, while objective 1 has priority, there are some elements of an ordinary administration that may be begun immediately where they do not conflict with the primary objective, and subsection (2) therefore obliges a bank administrator to pursue both of the objectives in parallel.