



Banking Act 2009

2009 CHAPTER 1

PART 2

BANK INSOLVENCY

Process of bank liquidation

100 Liquidation committee

(1) Following a bank insolvency order a liquidation committee must be established, for the purpose of ensuring that the bank liquidator properly exercises the functions under this Part.

[^{F1}(2) The liquidation committee is to consist initially of—

- (a) two individuals nominated by the Bank of England,
- (b) one individual nominated by the PRA,
- (c) one individual nominated by the FCA, and
- (d) one individual nominated by the FSCS.]

(3) The bank liquidator must report to the liquidation committee about any matter—

- (a) on request, or
- (b) which the bank liquidator thinks is likely to be of interest to the liquidation committee.

(4) In particular, the bank liquidator—

- (a) must keep the liquidation committee informed of progress towards Objective 1 in section 99, and
- (b) must notify the liquidation committee when in the bank liquidator's opinion Objective 1 in section 99 has been achieved entirely or so far as is reasonably practicable.

(5) As soon as is reasonably practicable after receiving notice under subsection (4)(b) the liquidation committee must either—

Changes to legislation: Banking Act 2009, Section 100 is up to date with all changes known to be in force on or before 23 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

- (a) resolve that Objective 1 in section 99 has been achieved entirely or so far as is reasonably practicable (a “full payment resolution”), or
 - (b) apply to the court under section 168(5) of the Insolvency Act 1986 (as applied by section 103 below).
- (6) Where a liquidation committee passes a full payment resolution—
- (a) the bank liquidator must summon a meeting of creditors,
 - (b) the meeting may elect 2 or 4 individuals as new members of the liquidation committee,
 - (c) those individuals replace the members nominated by the Bank of England^{F2}, the PRA and the FCA],
 - (d) the FSCS may resign from the liquidation committee (in which case 3 or 5 new members may be elected under paragraph (b)), and
 - (e) if no individuals are elected under paragraph (b), or the resulting committee would have fewer than 3 members or an even number of members, the liquidation committee ceases to exist at the end of the meeting.
- (7) Subject to provisions of this section, rules under section 411 of the Insolvency Act 1986 (as amended by section 125 below) may make provision about—
- (a) the establishment of liquidation committees,
 - (b) the membership of liquidation committees,
 - (c) the functions of liquidation committees, and
 - (d) the proceedings of liquidation committees.

Textual Amendments

- F1** S. 100(2) substituted (1.4.2013) by [Financial Services Act 2012 \(c. 21\)](#), s. 122(3), [Sch. 17 para. 36\(2\)](#) (with [Sch. 20](#)); [S.I. 2013/423](#), art. 3, [Sch.](#)
- F2** Words in s. 100(6)(c) substituted (1.4.2013) by [Financial Services Act 2012 \(c. 21\)](#), s. 122(3), [Sch. 17 para. 36\(3\)](#) (with [Sch. 20](#)); [S.I. 2013/423](#), art. 3, [Sch.](#)

Commencement Information

- I1** S. 100 in force at 17.2.2009 for specified purposes by [S.I. 2009/296](#), arts. 2, 3, [Sch. para. 2](#)
- I2** S. 100 in force at 21.2.2009 in so far as not already in force by [S.I. 2009/296](#), arts. 2, 3, [Sch. para. 2](#)

Changes to legislation:

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 4(8A)(8B) inserted by [2012 c. 21 s. 96\(3\)](#)
- s. 8(2)(d) and word inserted by [2012 c. 21 s. 96\(4\)\(b\)](#)