



# Banking Act 2009

## 2009 CHAPTER 1

### PART 1

#### SPECIAL RESOLUTION REGIME

##### *Compensation*

#### **58 Resolution fund**

- (1) A resolution fund order must include provision for determining—
  - (a) who will be entitled to a share of the proceeds on disposal of things transferred,
  - (b) the way in which the proceeds will be calculated, and
  - (c) the way in which shares will be calculated.
- (2) Provision under subsection (1)(b) may, in particular, provide for proceeds to be calculated net of—
  - (a) amounts required for the repayment of loans from public funds or for other payments in respect of public financial assistance;
  - (b) some or all of the administrative or other expenses incurred in connection with the provisions of this Part.
- (3) A resolution fund order may include provision for—
  - (a) an independent valuer to make a determination under the order (in which case sections 54(2) to (5), 55 and 56 shall apply);
  - (b) valuation principles to be applied in making a determination (in which case section 57(2) shall apply).
- (4) A resolution fund order may confer a discretionary function on—
  - (a) a Minister of the Crown,
  - (b) the Treasury,
  - (c) the Bank of England, or
  - (d) any other specified person.

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*Status: This is the original version (as it was originally enacted).*

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- (5) A resolution fund order may include provision for the determination of disputes about the application of its provisions (whether by conferring jurisdiction on a court or tribunal or otherwise).
- (6) A resolution fund order may require the Bank of England in managing a bridge bank to aim to maximise the proceeds available for distribution in accordance with the order; and an order which includes a requirement must—
  - (a) specify its extent, and
  - (b) include provision about how the Bank is to comply with it.
- (7) A resolution fund order may require the Treasury to ensure that a bank in temporary public ownership in accordance with section 13(2) is managed with the aim of maximising the proceeds available for distribution in accordance with the order; and an order which includes a requirement must—
  - (a) specify its extent, and
  - (b) include provision about how the Treasury is to comply with it.
- (8) A requirement under subsection (6) or (7) is to be complied with only in so far as is compatible with—
  - (a) pursuit of the special resolution objectives, and
  - (b) compliance with the code of practice under section 5.