



Banking Act 2009

2009 CHAPTER 1

PART 1

SPECIAL RESOLUTION REGIME

Exercise of powers: general

8 Specific conditions: private sector purchaser and bridge bank

- (1) The Bank of England may exercise a stabilisation power in respect of a bank in accordance with section 11(2) or 12(2) only if satisfied that Condition A is met.
- (2) Condition A is that the exercise of the power is necessary, having regard to the public interest in—
 - (a) the stability of the financial systems of the United Kingdom,
 - (b) the maintenance of public confidence in the stability of the banking systems of the United Kingdom, or
 - (c) the protection of depositors.
- (3) Before determining whether Condition A is met, and if so how to react, the Bank of England must consult—
 - (a) the FSA, and
 - (b) the Treasury.
- (4) Where the Treasury notify the Bank of England that they have provided financial assistance in respect of a bank for the purpose of resolving or reducing a serious threat to the stability of the financial systems of the United Kingdom, the Bank may exercise a stabilisation power in respect of the bank in accordance with section 11(2) or 12(2) only if satisfied that Condition B is met (instead of Condition A).
- (5) Condition B is that—
 - (a) the Treasury have recommended the Bank of England to exercise the stabilisation power on the grounds that it is necessary to protect the public interest, and

Status: This is the original version (as it was originally enacted).

- (b) in the Bank's opinion, exercise of the stabilisation power is an appropriate way to provide that protection.
- (6) The conditions in this section are in addition to the conditions in section 7.