
STATUTORY INSTRUMENTS

2014 No. 3348

The Bank Recovery and Resolution (No. 2) Order 2014

PART 13

Preparation of business reorganisation plans after application of bail-in tool

CHAPTER 1

Assessment of business reorganisation plan drawn up by an institution

Application and interpretation of Chapter 1

159.—(1) This Chapter applies where—

- (a) an institution is authorised by the PRA or FCA and is not part of a group subject to supervision on a consolidated basis in accordance with Article 111 of the capital requirements directive;
- (b) the Bank has made a resolution instrument under section 12A of the Banking Act 2009(1) (bail-in option) in respect of the institution; and
- (c) the management body or resolution administrator submits a business reorganisation plan to the Bank for assessment in accordance with Article 52 of the recovery and resolution directive (business reorganisation plan).

(2) In this Chapter—

“business reorganisation plan” means a plan which sets out measures to restore the long-term viability of the institution or of part of its business;

“management body” means the institution’s management body (within the meaning given by point (7) of Article 3.1 of the capital requirements directive); and

“resolution administrator” means the individual or body corporate appointed by the Bank under section 62B of the Banking Act 2009(2) as the resolution administrator of the institution.

Assessment of business reorganisation plan

160. The Bank must assess the business reorganisation plan jointly with the appropriate regulator within one month beginning with the date on which it receives the plan.

Purpose of assessment

161.—(1) The purpose of the assessment of the business reorganisation plan is to determine whether the plan meets the criteria for assessment.

(2) The Bank must approve the plan when the Bank and the appropriate regulator are satisfied that the plan meets the criteria for assessment.

(1) Section 12A was inserted by the Financial Services (Banking Reform) Act 2013, Schedule 2, paragraphs 1 and 2; and was amended by [S.I. 2014/3329](#).

(2) Section 62B was inserted by [S.I. 2014/3329](#).

- (3) The criteria for assessment are that—
- (a) the plan must satisfy the requirements set out in paragraphs 4 and 5 of Article 52 of the recovery and resolution directive;
 - (b) the plan must be compatible with the restructuring plan that the institution is required to submit to the European Commission under the Union State aid framework⁽³⁾; and
 - (c) the arrangements proposed in the plan would, if implemented, be reasonably likely to restore the long-term viability of the institution or of part of its business.

Revision of plan

162.—(1) The Bank—

- (a) must notify the management body or resolution administrator if the business reorganisation plan is found on assessment to contain any material deficiency or measure which would impede its implementation or the object of restoring the long-term viability of the institution or of part of its business; and
- (b) may not require the management body or resolution administrator to revise the plan without giving it an opportunity to state its opinion on that requirement.

(2) If the Bank requires the management body or resolution administrator to revise the plan, the Bank—

- (a) must allow two weeks for the preparation of a plan which demonstrates that the impediment has been addressed;
- (b) within one week beginning with the date on which a revised plan is submitted, must notify the management body or resolution administrator whether the impediment has been adequately addressed in the revised plan; and
- (c) if the impediment has not been adequately addressed in the revised plan, must direct the management body or resolution administrator to make specific changes to the plan.

(3) For the meaning of “Union State aid framework” see the recovery and resolution directive, Article 2.1, point (53).