
STATUTORY INSTRUMENTS

2016 No. 1239

The Bank Recovery and Resolution Order 2016

PART 2

Amendments of the Banking Act 2009 and related provision

CHAPTER 1

Amendments of the Banking Act 2009

Building Societies: amendment of section 84D

22.—(1) Section 84D (modification of this Act and other legislation), is amended as follows.

(2) Before subsection (1) insert—

“(A1) Where a share transfer instrument makes provision under section 84ZA(2) with respect to a building society, the second stabilisation option is to be exercised by making (in that or a subsequent share transfer instrument) provision under section 12(2)(a)—

(a) with respect to the successor company, or

(b) where provision made under section 84ZA includes provision under subsection (3)(g) of that section, with respect to the successor company or its specified parent undertaking.”.

(3) In subsection (2)—

(a) after “making of” insert “ provision as mentioned in subsection (A1)(a) or (b) or ”;

(b) in paragraph (b)—

(i) after the first reference to “apply” insert “ where relevant ”;

(ii) in sub-paragraph (ii) after “subsection” insert “ (A1)(b) or ”.

(4) In the Table in subsection (2)—

(a) after the entry for section 12AA ^{M1}, insert—

“Section 15	Share transfer instruments	Treat references in subsection (1) to securities issued by a specified bank as references to securities issued by the building society, or by the successor company or its specified parent undertaking.”
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(b) after the entry for section 18, insert—

“Section 19	Conversion and delisting
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Section 20 M2	Directors and senior managers	Treat references to a director or senior manager of a specified bank as references to a director or senior manager of the building society or of the successor company or its specified parent undertaking. In subsection (1A) ^{M3} treat the reference to a specified bank as a reference to the building society or its successor company.
Section 21	Ancillary instruments: production, registration etc	
Section 23	Incidental provision	
Section 24 M4	Procedure: instruments	On the first occasion on which the power to make a share transfer instrument is exercised in relation to a building society, treat the references in this section to a bank as a reference to a building society.
Section 26 M5	Supplemental Instruments	Treat the reference in subsection (3) to securities issued by the bank as a reference to securities issued by the building society or by the successor company or its specified parent undertaking.
Section 26ZA M6	Onward share transfer instruments	Treat references to securities issued by the bank as references to securities issued by the building society or by the successor company or its specified parent undertaking.
Section 30 M7	Resolution company: share transfers	
Section 31 M8	Resolution company: reverse share transfer”;	

(c) after the entry for section 41A, insert—

“Section 44D and any other provision so far as relating to property transfer instruments under section 44D M9	Transfer of property subsequent to share transfer instrument	Section 44D also applies where the Bank of England has made a share transfer instrument in accordance with section 12(2) which provides for the conversion
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of the building society under section 84ZA(2).”

(d) after the entry for section 49, insert—

“Section 52 M10	Transfer to resolution company”;
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(e) in the entry for sections 63, 64 and 66 to 70, in the first column, after the first reference to “in relation to” insert “ a share transfer instrument or ”;

(f) after the entry for section 75, insert—

“Section 78 M11	Public funds: general”;
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(g) after the entry for section 78A, insert—

“Section 79 M12	Public funds: resolution company	Treat the reference in subsection (1) to a bank as a reference to a building society or its successor company.
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Section 80 M13	Resolution company: report	Treat the reference in subsection (1) to a bank as a reference to a building society or its successor company.”
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(5) In subsection (3)(b), after “subsection”, insert “ (A1)(b) or ”.

(6) After subsection (5) insert—

“(5A) Where—

(a) the third stabilisation option is exercised in connection with the fourth stabilisation option in respect of a building society, and

(b) before the third stabilisation option is exercised—

(i) the building society is converted into a company pursuant to section 84A(5)(a), or

(ii) all the property, rights and liabilities of the building society are transferred to a company pursuant to section 84A(5)(b),

the references to the bank in section 12ZA(1)(a)^{M14} and any other provision so far as relating to property transfer instruments under section 12ZA include a reference to the successor company.”.

(7) In subsection (6), after the words “do not apply where”, insert—

“(a) a share transfer instrument makes provision under section 84ZA, or

(b)”.

(8) In subsection (7), after the words “does not apply where” insert—

“(a) a share transfer instrument makes provision under section 84ZA(3)(e), or

(b)”.

(9) In subsection (8)—

- (a) in the definition of “specified parent undertaking” after “falling within” insert “ paragraph (g) of section 84ZA(3) or ”;
- (b) in the definition of “the successor company” after “under section” insert “ 84ZA(2) or ”.
- (10) In the heading to section 84D, insert at the beginning “ Transfer to a bridge bank or ”.

Marginal Citations

- M1** Section 12AA was inserted by S.I. 2014/3329.
- M2** Section 20 was amended by the Financial Services Act 2012 (c. 21), section 100, and by S.I., 2014/3329.
- M3** Subsection (1A) was inserted by the Financial Services Act 2012, section 100.
- M4** Section 24 was amended by the Financial Services Act 2012, Schedule 17, paragraph 13, and by S.I. 2014/3329.
- M5** Section 26 was amended by the Financial Services Act 2012, Schedule 17, paragraph 14 and by S.I. 2014/3329.
- M6** Section 26ZA is inserted by article 9 of this Order.
- M7** Section 30 was amended by the Financial Services Act 2012, Schedule 17, paragraph 18 and by S.I. 2014/3329.
- M8** Section 31 was amended by the Financial Services Act 2012, section 97 and Schedule 17, paragraph 19 and by S.I. 2014/3329.
- M9** Section 44D is inserted by article 13 of this Order.
- M10** Section 52 was amended by the Financial Services (Banking Reform) Act 2013 (c.33), Schedule 2, paragraph 6, and by S.I. 2014/3329.
- M11** Section 78 was amended by S.I. 2014/3329.
- M12** Section 79 was amended by S.I. 2014/3329.
- M13** Section 80 was amended by S.I. 2014/3329.
- M14** Section 12ZA was inserted by S.I. 2014/3329.

Changes to legislation:

There are currently no known outstanding effects for the The Bank Recovery and Resolution Order 2016, Section 22.