
EXPLANATORY NOTE

(This note is not part of the Order)

This Order is made under the Banking (Special Provisions) Act 2008 (c. 2).

It provides a Scheme for determining the amount of compensation, if any, payable by the Treasury to those whose securities were transferred, or whose rights were extinguished, by the Bradford & Bingley plc Transfer of Securities and Property etc. Order 2008 (S.I. 2008/2546).

Article 2 of the Order provides that the Scheme, which is set out in the Schedule to the Order, shall have effect.

Paragraphs 3 to 5 of the Scheme provide for the manner in which any compensation is to be assessed.

Paragraphs 6 to 8 provide for the appointment of an independent valuer to determine the amount of compensation, if any, and make provision as to the remuneration of the valuer and for the appointment of staff by him.

Paragraph 9 provides that the valuer shall make such rules as to the procedure in relation to the determination of compensation as he considers appropriate, including rules on the procedure for requesting a reconsideration of an assessment notice.

Paragraph 10 provides for the issue of an assessment notice by the valuer. Paragraph 11 provides that a person affected by the determination in an assessment notice or the Treasury may request a reconsideration of the determination and a revised assessment notice.

Paragraph 12 provides that if a person affected by the decision in the revised assessment notice or the Treasury are dissatisfied with the revised assessment notice they may make a reference to the Financial Services and Markets Tribunal (“the Tribunal”) for the notice to be reviewed.

Paragraph 13 makes provision about the payment of any compensation by the Treasury.

Paragraphs 14 to 27 provide that the provisions of Part 9 of, and Schedule 13 to, the Financial Services and Markets Act 2000 (c. 8) and of the Financial Services and Markets Tribunal Rules 2001 (S.I. 2001/2476) shall apply to a reference to the Tribunal under the Scheme, subject to the modifications set out in those paragraphs.

A Regulatory Impact Assessment of the effect of this instrument on the costs to business has been prepared. It may be obtained from the Financial Stability Resolution Team, HM Treasury, 1 Horse Guards Road, London SW1A 2HQ. It is also available on HM Treasury’s website (www.hm-treasury.gov.uk). Copies of the document have been placed in the libraries of both Houses of Parliament.