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## STATUTORY INSTRUMENTS

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### 2014 No. 3329

## The Bank Recovery and Resolution Order 2014

### Rules requiring parent undertakings to facilitate resolution

**120.**—(1) Section 192JB(1) is amended as follows.

(2) For subsection (1) substitute—

“(1) The appropriate regulator may make rules requiring a qualifying parent undertaking to make arrangements that in the opinion of the regulator—

- (a) would facilitate the preparation, maintenance, implementation and review of a recovery plan in relation to the group of the qualifying parent undertaking,
- (b) are required in relation to the provision of financial support to other members of the group of the qualifying parent undertaking which encounter or are likely to encounter financial difficulties, or
- (c) would allow or facilitate the exercise of the resolution powers in relation to the qualifying parent undertaking or any of its subsidiary undertakings in the event of a situation arising where all or part of the business of the parent undertaking or the subsidiary undertaking encounters or is likely to encounter financial difficulties.”.

(3) After subsection (1) insert—

“(1A) A “recovery plan” in relation to a group, is a document which provides for measures to be taken to achieve the stabilisation of the group as a whole, or any institution within the group, where the group or institution is in a situation of financial stress, in order to address or remove the causes of the financial stress and restore the financial position of the group or the institution.”.

(4) In subsection (3), after paragraph (b) insert—

- “(c) the review of a recovery plan by the consolidating supervisor of the qualifying parent undertaking;
- (d) the entry by the parent undertaking into a group financial support agreement and provision of financial support by the parent undertaking in accordance with that agreement.”.

(5) For subsection (4) substitute—

“(4) In subsection (3)—

- (a) “consolidating supervisor” has the meaning given in Article 4.1(41) of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26th June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012(2);
- (b) “group financial support agreement” means an agreement for the provision of financial support from one member of a group to another which satisfies the conditions set out in Article 19 of Directive 2014/59/EU of the European

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(1) Section 192JB was inserted by section 133 of the Financial Services (Banking Reform) Act 2013 (c.33).

(2) OJ L176, 27.6.2013 p.1, corrigenda OJ L321, 30.11.2013, p.6.

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**Status:** This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

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Parliament and of the Council of 15th May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms<sup>(3)</sup>.

- (c) “transferee” means a person to whom all or part of the business of the parent undertaking or the subsidiary undertaking could be transferred as a result of the exercise of the resolution powers.”.

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(3) OJ L173, 12.6.2014, p.190.