
STATUTORY INSTRUMENTS

2014 No. 3329

The Bank Recovery and Resolution Order 2014

Specific conditions: asset management vehicle

15. After section 8(1) insert—

“Specific conditions: asset management vehicle

8ZA.—(1) The Bank of England may exercise a stabilisation power in respect of a bank in accordance with section 12ZA(3) only if satisfied that Conditions A and B are met.

(2) Condition A is that the power is exercised in connection with the exercise of one or more stabilisation powers in respect of the bank, or a company which is a banking group company in relation to the bank, otherwise than for the purposes of the third stabilisation option.

(3) Condition B is that the Bank of England is satisfied that—

- (a) the situation of the market for the assets which it is proposed to transfer by the exercise of the stabilisation power is of such a nature that the liquidation of those assets under normal insolvency proceedings could have an adverse effect on one or more financial markets,
- (b) the transfer is necessary to ensure the proper functioning of the bank or bridge bank from which the transfer is to be made, or
- (c) the transfer is necessary to maximise the proceeds available for distribution.

(4) Before determining whether Conditions A and B are met, and if so how to react, the Bank of England must consult—

- (a) the PRA,
- (b) the FCA, and
- (c) the Treasury.

(5) “Normal insolvency proceedings” has the meaning given in Article 2.1(47) of the recovery and resolution directive (and, in particular, includes the bank insolvency procedure and the bank administration procedure).

(6) The conditions in this section are in addition to the conditions in sections 7 and 8.”

(1) 2009 c.1, section 8 was amended by paragraph 9 of Schedule 17 to the Financial Services Act 2012 (c.21) and section 96 of the Financial Services Act 2012 (c.21).