
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

Reverse share transfers

10.—(1) In section 26A (private sector purchaser: reverse share transfer)(1)—

- (a) in subsection (1), after “11(2)” insert “or 12(2)”,
- (b) in subsections (2) to (7), omit the words “private sector” wherever they appear,
- (c) after subsection (2) insert—

“(2A) If the Bank of England makes an onward share transfer instrument in respect of securities transferred by the original instrument, the Bank may make one or more reverse share transfer instruments in respect of securities issued by the bank and held by a transferee under the onward share transfer instrument (“the onward transferee”).”,

(d) in subsection (3)—

- (i) at the end of paragraph (a) insert “(where subsection (2) applies)”,
- (ii) after paragraph (a) insert—

“(ab) provides for transfer to the original transferee (where subsection (2A) applies);”,

(iii) in paragraph (b), after “paragraph (a)” insert “or (ab)”,

(e) in subsection (4), after “instrument” insert “under subsection (2)”,

(f) after subsection (4) insert—

“(4A) The Bank of England must not make a reverse share transfer instrument under subsection (2A) unless—

(a) the onward transferee is—

- (i) a company wholly owned by the Bank of England,
- (ii) a company wholly owned by the Treasury, or
- (iii) a nominee of the Bank of England or the Treasury, or

(b) the reverse share transfer instrument is made with the written consent of the onward transferee.”,

(g) in the heading—

(1) Section 26A was inserted by section 97 of the Financial Services Act 2012 (c.21)..

- (i) omit “Private sector purchaser.”,
 - (ii) at the end, insert “instruments”.
- (2) In the heading to section 29, insert at the end “orders”.