



Financial Services Act 2012

2012 CHAPTER 21

PART 8

AMENDMENTS OF BANKING ACT 2009

Special resolution regime and bank administration

97 Private sector purchasers

- (1) The Banking Act 2009 is amended as follows.
- (2) After section 26 insert—

“26A Private sector purchaser: reverse share transfer

- (1) This section applies where the Bank of England has made a share transfer instrument in accordance with section 11(2) (“the original instrument”) providing for the transfer of securities issued by a bank to a person (“the original transferee”).
- (2) The Bank of England may make one or more private sector reverse share transfer instruments in respect of securities issued by the bank and held by the original transferee.
- (3) A private sector reverse share transfer instrument is a share transfer instrument which—
 - (a) provides for transfer to the transferor under the original instrument;
 - (b) makes other provision for the purposes of, or in connection with, the transfer of securities which are, could be or could have been transferred under paragraph (a).
- (4) The Bank of England must not make a private sector reverse share transfer instrument without the written consent of the original transferee.

Changes to legislation: Financial Services Act 2012, Section 97 is up to date with all changes known to be in force on or before 18 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

- (5) Sections 7, 8 and 50 do not apply to a private sector reverse share transfer instrument (but it is to be treated in the same way as any other share transfer instrument for all other purposes including for the purposes of the application of a power under this Part).
- (6) Before making a private sector reverse share transfer instrument the Bank of England must consult—
- (a) the PRA,
 - (b) the FCA, and
 - (c) the Treasury.
- (7) Section 26 applies where the Bank of England has made a private sector reverse share transfer instrument.”
- (3) In section 29 (reverse share transfer)—
- (a) in subsection (3) for the words from “securities”, in the second place, to the end substitute “ securities issued by the bank and held by a transferee under the onward share transfer order (“the onward transferee”). ”, and
 - (b) after subsection (4) insert—

“(4A) The Treasury must not make a reverse share transfer order under subsection (3) 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 Treasury, or
 - (b) the reverse share transfer order is made with the written consent of the onward transferee.”
- (4) In section 31 (bridge bank: reverse share transfer)—
- (a) in subsection (1) omit the words from “providing for” to the end,
 - (b) in subsection (2) for “person within subsection (1)(a) to (c)” substitute “ transferee under the original instrument ”,
 - (c) after subsection (3) insert—

“(3A) The Bank of England must not make a bridge bank reverse share transfer instrument unless—

 - (a) the transferee under the original instrument 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 Treasury, or
 - (b) the bridge bank reverse share transfer instrument is made with the written consent of the transferee under the original instrument.”
- (5) After section 42 insert—

“42A Private sector purchaser: reverse property transfer

- (1) This section applies where the Bank of England has made a property transfer instrument in accordance with section 11(2) (“the original instrument”)

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providing for the transfer of property, rights or liabilities of a bank to a person (“the original transferee”).

- (2) The Bank of England may make one or more private sector reverse property transfer instruments in respect of property, rights or liabilities of the original transferee.
 - (3) A private sector reverse property transfer instrument is a property transfer instrument which—
 - (a) provides for transfer to the transferor under the original instrument;
 - (b) makes other provision for the purposes of, or in connection with, the transfer of property, rights or liabilities that are, could be or could have been transferred under paragraph (a) (whether the transfer has been or is to be effected by that instrument or otherwise).
 - (4) The Bank of England must not make a private sector reverse property transfer instrument without the written consent of the original transferee.
 - (5) Sections 7, 8 and 50 do not apply to a private sector reverse property transfer instrument (but it is to be treated in the same way as any other property transfer instrument for all other purposes including for the purposes of the application of a power under this Part).
 - (6) Before making a private sector reverse property transfer instrument the Bank of England must consult—
 - (a) the PRA,
 - (b) the FCA, and
 - (c) the Treasury.
 - (7) Section 42 applies where the Bank of England has made a private sector reverse property transfer instrument.”
- (6) In section 44 (reverse property transfer)—
- (a) in subsection (3) for “of a transferee” to the end substitute “ of a transferee under the onward property transfer instrument (“the onward transferee”). ”,
 - (b) after subsection (4) insert—

“(4A) The Bank of England must not make a reverse property transfer instrument 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 company wholly owned by a nominee of the Treasury, or
 - (b) the reverse property transfer instrument is made with the written consent of the onward transferee.”
- (7) In section 46 (temporary public ownership: reverse property transfer)—
- (a) in subsection (1) omit from “providing for” to the end, and
 - (b) after subsection (3) insert—

“(3A) The Treasury must not make a reverse property transfer order unless—

 - (a) the transferee under the original order is—

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- (i) a company wholly owned by the Bank of England,
 - (ii) a company wholly owned by the Treasury, or
 - (iii) a nominee of the Treasury, or
 - (b) the reverse property transfer order is made with the written consent of the transferee under the original order.”
- (8) In section 48A (creation of liabilities), in subsection (1) after “42(3)(b),” insert “42A(3)(b),”.
- (9) In section 53 (onward and reverse transfers: compensation), in subsection (1)—
- (a) before paragraph (a) insert—
 - “(za) the Bank of England makes a private sector reverse share transfer instrument under section 26A,” and
 - (b) after paragraph (d) insert—
 - “(da) the Bank of England makes a private sector reverse property transfer instrument under section 42A,”.
- (10) In section 83 (supplemental), in subsection (2)(d)—
- (a) at the end of sub-paragraph (iii) insert “ and ”, and
 - (b) for sub-paragraphs (iv) and (v) substitute—
 - “(iv) is not subject to the restriction in section 29(3) that the securities issued by the bank were transferred under the original order (as defined in section 29(1)).”
- (11) In the Table in section 261 (index of defined terms), after the entry relating to “partial property transfer”, insert—

“Private sector reverse property transfer instrument	42A
Private sector reverse share transfer instrument	26A”

Commencement Information

II S. 97 in force at 1.4.2013 by S.I. 2013/423, art. 3, Sch.

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

- Act power to apply conferred (temp.) by [2014 c. 21 s. 79\(4\)](#)
- Act power to apply conferred (temp.) by [2014 c. 21 s. 81\(10\)](#)