

BANKING (SPECIAL PROVISIONS) ACT 2008

EXPLANATORY NOTES

COMMENTARY ON CLAUSES AND SCHEDULES

Further transfers

Section 8: Further transfers

30. Where securities of a deposit-taker have been transferred to the public sector under section 3, the Treasury may, under this section, make an order transferring to any person any of those securities (subsections (1) and (2)). This would enable the institution to be transferred back to the private sector (or within the public sector). Property, rights and liabilities of the deposit-taker concerned or any of its subsidiaries may also be transferred. The securities issued by, or property, rights and liabilities of, a company wholly owned by the Bank or the Treasury may also be transferred. This gives the Treasury a legislative route for transferring all or part of the institution's business back to the private sector, or for restructuring the business within the public sector.
31. Where there has previously been a transfer of property, rights or liabilities under section 6 to a company owned by the Treasury or the Bank of England (or its subsidiary), the Treasury may transfer to any person any securities of that company or any property, rights and liabilities of the company or its subsidiary undertakings (subsection (4)). This provides a legislative route for the transfer of the business acquired under section 6, or of the whole company used to acquire the business, back to the private sector, or for restructuring the business within the public sector.
32. The powers available in sections 3 and 6 (including the provisions listed in Schedules 1 and 2) are available to the Treasury in respect of any onward transfer under section 8. The Treasury may also include provisions in an order making an onward transfer that relate to the consideration payable in respect of that transfer.
33. Unlike the transfer powers in sections 3 and 6, the powers under this section do not cease to be exercisable one year after Royal Assent.