Title: Amendment to the Financial Services (Banking Reform) Bill - introducing a bail-in power	**Impact Assessment (IA)**
IA No:	**Date:** 03/10/2013
Lead department or agency: HM Treasury	**Stage:** Final
Other departments or agencies: Department for Business, Innovation and Skills	**Source of intervention:** Domestic
	Type of measure: Primary legislation
	Contact for enquiries: banking.commission@hmtreasury.gsi.gov.uk

Summary: Intervention and Options

RPC Opinion: GREEN

Cost of Preferred (or more likely) Option				
Total Net Present Value	**Business Net Present Value**	**Net cost to business per year** (EANCB on 2009 prices)	**In scope of One-In, Two-Out?**	**Measure qualifies as**
£m	£m	£m	No	NA

What is the problem under consideration? Why is government intervention necessary?

The financial crisis exposed problems in the global financial system where regulators were unable to effectively deal with institutions in serious difficulty. When large, systemic banks failed, they could not be allowed to enter insolvency due to the effect that would have on those who relied on the critical services provided by the bank, and the wider impact on financial stability. This meant that the losses of failing banks were not borne by creditors, as they would have been if the failing banks had entered insolvency, but by the taxpayer, who was called upon for billions of pounds to bail-out failing banks. This highlighted the need for more effective methods of dealing with failing banks.

What are the policy objectives and the intended effects?

The policy objective is to be able to resolve banks more easily if they fail, by providing a mechanism by which losses can fall on creditors of the failing bank without the bank first entering an insolvency process. This will allow failing banks to be resolved in a manner that does not threaten the provision of essential services to the real economy and without requiring a public "bail out", reducing the cost to Government finances. It will also help to curb excessive risk taking in financial markets and curtail the implicit government guarantee that large banks are seen to benefit from. Meeting these objectives will reduce the probability and severity of future financial crises, leading to greater financial stability.

What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)

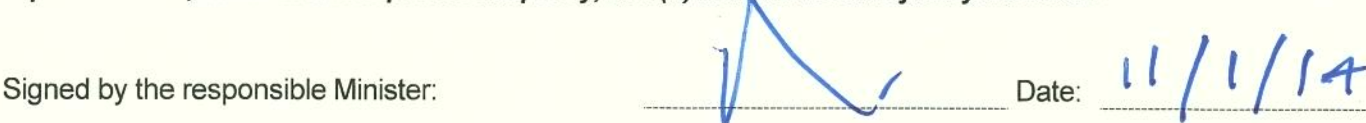
Option 1: Introduce a bail in tool as specified under the European Bank Recovery and Resolution Directive (BRRD), by 2015. This option is used as the baseline to determine the costs of Option 2.

Option 2: The Government's preferred approach is to introduce a bail in tool earlier than the BRRD through the Banking Reform Bill (BRB). Option 2 is justified as bringing forward the introduction of bail in reduces the cost of resolving a bank in the interim period, and removes the implicit guarantee sooner.

Will the policy be reviewed? It will not be reviewed. **If applicable, set review date:** Month/Year

Does implementation go beyond minimum EU requirements?			Yes		
Are any of these organisations in scope? If Micros not exempted set out reason in Evidence Base.	**Micro** No	**< 20** No	**Small** No	**Medium** Yes	**Large** Yes
What is the CO_2 equivalent change in greenhouse gas emissions? (Million tonnes CO_2 equivalent)			**Traded:** N/A		**Non-traded:** N/A

I have read the Impact Assessment and I am satisfied that (a) it represents a fair and reasonable view of the expected costs, benefits and impact of the policy, and (b) that the benefits justify the costs.


Signed by the responsible Minister: Date: 11/1/14

Summary: Analysis & Evidence

Policy Option 1

Description: Implement a bail in tool as specified under the European Bank Recovery and Resolution Directive (BRRD), by 2015. This option is used as the baseline to determine the costs of option 2

FULL ECONOMIC ASSESSMENT

Price Base Year	PV Base Year	Time Period Years	Net Benefit (Present Value (PV)) (£m)		
			Low: Optional	**High:** Optional	**Best Estimate:**

COSTS (£m)	Total Transition (Constant Price)	Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	0		0	**0**
High	0		0	**0**
Best Estimate	0		0	**0**

Description and scale of key monetised costs by 'main affected groups'

Zero as the Government is required to implement bail-in through the BRRD. A bail-in tool introduced earlier through the Banking Reform Bill is expected to be very similar in design to that of the tool introduced through BRRD, so long run costs will be the same. This IA is assessing the marginal impact of an early introduction of bail in.

Other key non-monetised costs by 'main affected groups'

Zero for the reason given above.

BENEFITS (£m)	Total Transition (Constant Price)	Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	0		0	**0**
High	0		0	**0**
Best Estimate	0		0	**0**

Description and scale of key monetised benefits by 'main affected groups'

Zero as the Government is committed to implementing bail-in through the BRRD. A bail-in tool introduced ealier through the Banking Reform Bill is expected to be very similar so long run benefits will be the same. This IA is assessing the marginal impact of an early introduction of bail in.

Other key non-monetised benefits by 'main affected groups'

Zero for the reason given above.

Key assumptions/sensitivities/risks	**Discount rate (%)**	

BUSINESS ASSESSMENT (Option 1)

Direct impact on business (Equivalent Annual) £m:			In scope of OITO?	Measure qualifies as
Costs: N/A	**Benefits:** N/A	**Net:** N/A	No	NA

Summary: Analysis & Evidence

Policy Option 2

Description: TheGovernment's prefered approach would be to implement a bail in tool earlier than the BRRD by introducting it with the Banking Reform Bill (BRB).

FULL ECONOMIC ASSESSMENT

Price Base Year 2014	PV Base Year 2014	Time Period Years 1	Net Benefit (Present Value (PV)) (£m)		
			Low: SEE TEXT	**High:** SEE TEXT	**Best Estimate:** SEE TEXT

COSTS (£m)	Total Transition (Constant Price)	Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	£75m	1	SEE TEXT	**£75m**
High	£220m		SEE TEXT	**£220m**
Best Estimate	£148m		N/A	**£148m**

Description and scale of key monetised costs by 'main affected groups'

The main cost to private banks from introducing bail-in on an earlier timeframe than the BRRD is from higher funding costs for unsecured liabilities. The Government estimates this cost to be between £75m and £220m. This cost will only persist for one year after which they will be equal to the baseline.

Other key non-monetised costs by 'main affected groups'

Indirect cost to bank customers through changes in lending and saving rates.

BENEFITS (£m)	Total Transition (Constant Price)	Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	SEE TEXT		SEE TEXT	**SEE TEXT**
High	SEE TEXT		SEE TEXT	**SEE TEXT**
Best Estimate	SEE TEXT		N/A	

Description and scale of key monetised benefits by 'main affected groups'

It is not possible to estimate the monetised benefits of this policy option with a sufficient degree of confidence. Please see the text for further details.

Other key non-monetised benefits by 'main affected groups'

Losses of failing banks will now fall onto creditors and not the taxpayer.
Resolution authorities will be better able to resolve banks at lower cost to the Government.
Reduces the moral hazard problem and curb excessive risk taking by banks.
Benefits from greater financial stability due to a reduction in the probability and severity of future financial crises leading to higher GDP levels in the future, and additional welfare benefits.

Key assumptions/sensitivities/risks **Discount rate (%)**

The reduction of the future probability and severity of financial crises that the policy will bring. The extent to which banks pass through the costs of the policy to consumers, and the subsequent impact on GDP. That the long run driver of tax receipts is GDP so the Exchequer cost is directly related to the impact on GDP.

BUSINESS ASSESSMENT (Option 2)

Direct impact on business (Equivalent Annual) £m:			In scope of OIOO?	Measure qualifies as
Costs: £75-220m	**Benefits:** SEE	**Net:** m	No	NA

Evidence Base (for summary sheets)

Contents of the impact assessment (IA)

- Introduction
- Scope of this IA
- Description of options considered
- Costs and benefits of options
- Discusses the estimated key costs and benefits of the policy options; how the costs and benefits have been modelled; what assumptions have been made in the analysis.
- Wider impacts. Consideration of any other potential impacts (including those concerning equality) not presented in the costs and benefits section.
- Summary of the IA and implementation plan

<u>Introduction</u>

1. The financial crisis exposed many problems within the global financial system and the way it was regulated and governed. The regulators allowed banks to take excessive risk and regulators did not have the tools required to deal with institutions under severe stress. The UK taxpayer was called upon to provide billions of pounds to prevent widespread collapse of the UK financial sector. In response to the crisis, the Government created the Independent Commission on Banking (ICB) to investigate reforms to the banking system to deliver greater stability and competition in UK banking.

2. One of these measures proposed by the ICB is to give regulatory authorities the power to 'bail-in' a failing financial institution. This allows the authority to write-down unsecured debt or covert it into equity. This would give banks greater loss absorbency should they fail, and curtail the perceived implicit government guarantee, reducing the moral hazard problem of banks taking excessive risk because they are partially shielded from the consequences of the results. It also allows the bank to continue as a going-concern so that the critical functions it provides to the economy can continue, minimising the wider effects on financial stability. Following recapitalisation, the institution can be restructured from a financially stable base

3. The UK, as part of the G20, has committed to make the necessary legislative changes to introduce a bail-in regime as part of its wider commitment to the Financial Stability Board's (FSB) "Key Attributes of Effective Resolution Regimes". This commitment would currently be met by the agreement and subsequent transposition of the European Bank Recovery and Resolution Directive (BRRD). This has an expected transposition date of 1 January 2015. The UK Government's negotiating position on the BRRD was cleared by the relevant Parliamentary scrutiny committees in June 2013.

4. The Parliamentary Commission on Banking Standards (PCBS) recommended that the UK should bring in bail-in powers on a unilateral basis. The Government considers that negotiations on the BRRD have now progressed to a sufficiently advanced state that we can now respond positively to this recommendation, by bringing in bail-in powers domestically without risking having to adapt to a radically different regime when the BRRD is implemented. Therefore, the Government propose to amend the Banking Reform Bill to this effect.

5. This Impact Assessment considers the costs and benefits of making this change.

Scope

'Regulatory environment' baseline

6. The UK is already committed to introducing a bail-in tool as part of the European BRRD. Therefore, for this IA, the 'regulatory environment' baseline is the introduction of a bail-in tool in line with the BRRD and its timetable. Given the similarity in design between the bail-in tool the Government is proposing to introduce in the Banking Reform Bill, and the expected design of the bail-in tool in the BRRD, the long term impact of both options is considered to be the same. There will be a separate IA on transposition of the BRRD when that Directive is adopted, which will consider the long-run costs. This IA is therefore focused on the short-term cost of introducing a bail-in tool in the Banking Reform Bill, ahead of the European timetable.

Description of options considered

Option 1: Implement a bail in tool through the Recovery and Resolution Directive by 2015 (Baseline)

7. The UK expects to transpose the BRRD by 1 January 2015. As currently proposed, Member States would be given some flexibility over whether to introduce bail-in powers at that point or later – potentially up to a final deadline of 1 January 2018. However, the Government is of the opinion that the market will be pricing and planning on the basis that the UK authorities will have bail-in powers from 1 January 2015, given the direction of banking reform globally, and the growing international consensus that bail-in powers are a necessary part of a bank resolution regime.

Option 2: Implementation of a bail in tool through the Banking Reform Bill

8. Introducing a bail-in tool in 2014. This brings forward the benefits from bail in by reducing the implicit government guarantee, improves financial stability and makes banks and the other financial institutions covered by the proposal more resolvable if any were to fail in the period before the BRRD is introduced. It would also, of course, bring forward any costs associated with introducing a bail-in regime.

Cost and Benefits of Option 1: Costs of introducing EU-wide Bail in with the BRRD

9. This Impact Assessment is focused on identifying any marginal costs associated with introducing a bail-in regime in 2014 ahead of the transposition of the BRRD. As set out above, introducing a bail-in tool through the BRRD therefore represents the regulatory environment baseline. The marginal costs associated with that measure can therefore be taken – by definition – as zero for the purposes of this analysis. In reality, the long-term costs and benefits of the BRRD proposals have been considered in a number of previous Impact Assessments, most recently that produced by the European Commission on 6th June 2012.

Cost of Option 2: The Governments lead option

10. The long run costs of policy option two are assessed to be the same as policy option one, i.e. the regulatory environment baseline. This Impact Assessment therefore focuses on the transitional and short run costs and benefits associated with implementing bail-in through the Banking Reform Bill.

Private costs: Costs to Banks

Where costs arise from

11. Private costs to banks from bail-in would most likely arise from an increased cost of issuing debt in wholesale funding markets.

12. To assess the marginal impact of introducing bail-in powers in advance of the BRRD, estimates are needed for two things: (i) any possible impact on UK bank debt prices that might occur as a result of the introduction of these powers in advance of the BRRD; and (ii) the amount of debt that will be issued by UK banks before the transposition of BRRD would anyway have introduced these powers into the UK.

13. The European Commission's Impact Assessment for the BRRD provides a helpful starting point for the first of these questions. It includes a comprehensive treatment of its bail-in proposals drawing, in large part, on a JP Morgan survey which estimated that the funding costs associated with bail-inable liabilities would rise by 87 basis points with the introduction of a bail-in regime (based on a single-A rated bank).

14. From this starting point, the Commission's analysis identifies a series of factors that would mitigate this impact, both as it applies to individual debt instruments that would become potentially subject to bail-in and as it applies to a banks' overall cost of funding. Taking these in aggregate, the Commission estimates that the impact of bail-in on total bank funding costs would be as low as 5-15 basis points[1]. Some, but not all, of the factors identified by the Commission are relevant to the calculation required for this Impact Assessment.

15. In particular, adherence to the 'No Creditor Worse Off' principle means that losses suffered by creditors under bail-in cannot be any greater than they would suffer in a conventional insolvency. This safeguard provides reassurance to creditors and this should result in a reduced impact in banks' funding costs. The Commission's analysis suggests this may reduce the funding cost increase by around 50%. This factor alone might suggest that the cost impact on bail-inable liabilities would be closer to 40-50 basis points than 87 basis points.

16. The Government has also considered previous international experiences to see if that provides any helpful guidance. The Danish experience of introducing a bail-in regime is often cited. In that case, Danish bank debt prices did move to a materially higher level (100 basis points) than their Scandinavian peers. But it is not straightforward to disentangle the impact of bail-in from other factors peculiar to the Danish banking sector, and it should also be noted that the Danish change occurred before the international consensus on bail-in had developed to the extent it now has.

17. The US experience was a different one. It introduced new banking reform measures in the Dodd-Frank Act in 2010. This included a tool capable of imposing losses on creditors in an equivalent way to bail-in. In the weeks that followed, the top 4 large US banks saw their funding costs rise by an average of 20bps[2]. This rise cannot all be attributed to the bail-in-like tool as other measures were also introduced. And, after the initial spike, funding costs broadly returned to their initial levels over the following 3 month period.

18. The Government also considers that due to the existence of the Special Resolution Regime, where under certain circumstances losses can already be imposed upon

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[1] European Commission (2012) Recovery and Resolution Directive – Impact Assessment http://ec.europa.eu/internal_market/bank/docs/crisis-management/2012_eu_framework/impact_assessment_final_en.pdf

[2] J.P Morgan Chase, Bank of America (Meryl Lynch), Citigroup and Wells Fargo. [Source: Bloomberg]

creditors in a similar way to bail-in, the increased cost of funding will have already been priced in to the market. The Government expects that, in efficient markets, all available information on the regulatory framework to be reflected in prices. And there is some – albeit largely anecdotal – evidence to suggest that this is indeed the case. Discussions with market contacts would certainly suggest so. The current Funding for Lending Scheme (FLS) has also anchored funding costs as banks have the option of using this scheme rather than sourcing funding from alternative sources, which would further mitigate the impact on funding costs.

19. Overall, for the purposes of this IA, the impact of a 50 basis point increase on bail-inable UK bank debt prices will be modelled. However, this is believed to be a conservative approach, given the US experience and the extent to which bail-in type outcomes will already have been priced into UK bank debt, given the existence of the Special Resolution Regime. Therefore, an estimated impact of 25 basis points on bail-inable UK bank debt prices is also included. The Government notes that there has been no obvious effect on the price of the senior unsecured debt of UK banks since it published its amendment to the BRB which would introduce a bail-in tool. This supports the view that the impact is likely to be small.

20. To estimate the marginal impact required for this IA, an estimate of the amount of debt that will be issued by UK banks before the BRRD is transposed on 1 January 2015 is needed. This point is used rather than a later date as the Government believes that the market will plan and price on the basis that the UK would look to bring bail-in powers at an early date after transposition – particularly if they should be needed in order to deal with the failure of a bank – given the leading position that the UK has taken in the international development of bail-in powers. This timeline is also consistent with FSB recommendation that jurisdictions should undertake all necessary legislative reforms to comply with the Key Attributes by 2015. This suggests that markets will apply any increase in the cost of banks' senior unsecured debt as a result of bail-in from January 2015, regardless of whether a later transposition is possible. If this is not the case, and markets have not already fully priced in the effect of bail-in from 2015, then we would expect any additional increases to be a fraction of the 1 year cost set out below, given the many indications there have been that bail-in powers will be available from 2015.

21. The amount of senior unsecured bank debt which will reach maturity in 2014 currently stands at £59bn for the big 6 UK banks[3]. Banks are continuing to reduce their reliance on wholesale funding markets[4]. The analysis in the Commission's Impact Assessment referenced above also argued that there may be behavioural changes by the banks in how they raise their funding – potentially towards issuing additional subordinated instruments or by relying to a greater degree on non bail-inable liabilities.

22. Putting these two factors together, the Government believes it reasonable to expect that between 50 and 75 per cent of debt maturing in 2014 will be refinanced. This would give a quantum of issuance of between £29.5bn and £44.25bn. The table below sets out how the cost of senior unsecured debt may increase.

	50 Basis Point Increase	25 Basis Point Increase
75% Refinanced	£220m	£150m
50% Refinanced	£110m	£75m

[3] Barclays PLC, HSBC, Lloyds Banking Group, Royal Bank of Scotland, Nationwide and Santander UK [Source: Bloomberg]

[4] Bank of England August Inflation Report http://www.bankofengland.co.uk/publications/Documents/inflationreport/2013/ir13aug.pdf

23. The marginal cost to these banks of introducing bail-in in the Banking Reform Bill is therefore estimated at between £75m and £220m.

24. This would be the cost of rolling over the debt for a full year before the RRD bail-in tool is introduced. Clearly, not all debt will be raised at the start of the year. To the extent it is raised later in the year, then there would be a proportionate reduction in the marginal cost of this measure. On the grounds of prudence, this has not been allowed for in the above estimated range. If it was, and assuming that bank debt is raised in a uniform way throughout the year, then it could plausibly reduce the impact to between £37.5 and £110m.

25. This marginal cost is small in comparison to bank's total interest cost. In 2012, the UK big 6 banks aggregated interest expense (the expense for borrowed money) was £50.8bn. Assuming this has not changed and extrapolating for the end of 2014, banks' total interest expense until 2014 is £63.4bn. A projected increase in funding costs for these banks of £75m to £220m therefore represents an increase in the cost of borrowed money for that year of between 0.1 and 0.3 per cent.

GDP Impact

26. The key channel by which this policy could affect GDP is lending rates to the real economy. The increase in the cost of debt to banks may be fully absorbed by banks and lending rates to the real economy are unchanged. However, assuming that 100 per cent of this cost is passed on to consumers, this would mean an additional cost of between £75m and £220m spread across banks' total loans and advances to customers, which is £2.7tn[5]. This represents an increase of between 0.3 and 0.8 basis points. Assuming that this is spread evenly across the loans, then it would be an increase in cost of less than 0.01 per cent, which is negligible – it is an order of magnitude smaller than usual changes in the Base Rate made by the Bank of England. Therefore, the impact on GDP from the increased cost is considered to be negligible.

27. This additional cost will only persist for just one year. This will further mitigate the GDP impact. In their final report, the ICB show that each persistent increase in lending costs of 0.1 per cent would impact the level of GDP by between 0.045 and 0.083 per cent. This is a long run estimate and the Government would expect that for a change of less than 0.01 per cent, lasting one year, the impact would again be negligible.

Exchequer Cost

28. In the long run, the main driver of the level of annual tax receipts is GDP: all else being equal, lower GDP would therefore result in lower tax receipts of the Exchequer. Therefore, since estimated effect on GDP is considered to be negligible, the Government assumes that there will be a negligible cost to the exchequer.

Benefits of Option 2

29. Introducing bail in powers at an earlier stage than required by the BRRD gives the UK greater protection against and resilience to a financial crisis. By making losses fall onto creditors, the Government expects the introduction of bail-in powers to instil a truer sense of market discipline, mitigating any risk of moral hazard by removing any implicit state guarantee. In the event of failure, there is lower cost to public finances since losses

[5] Figures from: 06/06/13 for Lloyds, RBS, Barclays, HSBC. 04/04/13 for Nationwide. 31/12/12 for Santander UK. HSBC data includes worldwide loans and advances.

creditors can be made to bear losses. These benefits however, are unquantifiable as they would primarily materialise if a bank or other relevant institution failed before 1 January 2015 when BRRD will be transposed. We are not able to give a probability estimate of such an event with any confidence.

30. It is, though, possible to give a sense of the potential scale of these benefits by looking at historical examples of when banks have failed. In these cases the Government has had to pay billions of pounds to bail them out. The cost of bailing out Lloyds, HBOS and RBS during the crisis to the taxpayer was £37bn. Introducing bail-in powers will reduce the probability of taxpayer money having to be used to resolve or rescue a bank if it were to fail. When a bank has sufficient levels of loss absorbing capacity and its debt is bail-inable, the bank's creditors would lose money, but the bank itself would remain as a going concern and would do so without the need for taxpayer support.

31. Overall, the Government expect the net benefits to the UK of this measure to be positive.

Modelling

32. The modelling in this IA has, for the most part, been static. The cost to banks has been estimated assuming their business model remains the same, but with some reduction in wholesale funding. In theory, banks would restructure themselves in response to the introduction of bail-in powers but it is unrealistic to assume they will to do this in just one year. Some other behavioural changes, e.g. the reduction in the reliance of wholesale funding, have been taken into consideration but the Government cannot predict the response of industry, and in practice there may be more responses by banks and customers but these are impossible to quantify.

Wider Impact

33. There are a number of wider impacts that have been considered for both policy options, these are detailed below. This are largely driven by how the industry will respond to the introduction of a bail-in tool, which the Government cannot predict with certainty.

Impact on the labour market

34. An increase to the cost of private funding for banks may be mitigated to some extent by reducing the overall cost of remuneration. However, it is not clear, or to what extent, banks would cut jobs or pay.

35. Around 32[6] per cent of employment in Financial and Insurance Activity in the UK based in London, meaning any job losses that occur are likely to be concentrated in London. These are commercial decisions for banks, which the Government cannot forecast.

Business borrowing distortions

36. In principle, an increase in banks' private costs may lead to higher lending rates. Large businesses, which can access alternative forms of borrowing, would be less affected by this than SMEs, which may see their business costs rise.

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[6] ONS Data, "Workforce Jobs by Region and Industry", March 2013.

37. The decision to absorb or pass on to consumers any increase in cost is a commercial one for banks, which the Government can't forecast. But given that the impact, if any, on lending rates is considered to be negligible, the Government does not expect any material impact on businesses – large or SME.

Impact on competition in the UK banking sector

38. The Government's lead policy option reduces the perceived implicit government guarantee for large banks. If large banks are seen to benefit from being 'too big to fail' they face artificially lower funding costs that small banks. Reducing the perceived implicit guarantee will reduce the competitive disadvantage faced by smaller banks.

Impact on competitiveness of the UK banking sector

39. The Government believes that the policy option will increase the competitiveness of the UK banking sector through greater financial stability. Greater stability reduces the risk of intervention at taxpayer expense in the future.

Impact on small and mirco businesses

40. The Government estimates that there will be no impact on small and micro businesses as even the smallest banks will not be either small or micro businesses. Even if there were such a small bank, the Government anticipates that it will not meet the statutory test for use of the tool – which requires that the exercise of the power is necessary having regard to the public interest in the stability of the financial systems of the UK, the public confidence in those systems, the protection of depositors, or the protection of client assets. As discussed above, there is no expected impact on SME lending rates.

Exemption from the One-in-Two-out rule

41. This measure specifically intends to reduce systemic risk in the UK banking sector by increasing financial stability. There is an exemption for measures dealing with systemic financial risk from the Better Regulation Executive's One-in-One-out Rule[7], so the measure in this IA is therefore out of scope of the rule.

Equality Impact

42. The Government has considered its obligations under the Equalities Act 2010. The Government does not believe these measures will impact upon discrimination, equality of opportunity or good relations towards people who share relevant protected characteristics under the act

43. The Government considers that the proposals are compatible with the Convention rights protected by the Human Rights Act 1998

Summary of IA and Implementation plan

Chosen Policy Option

44. The Government therefore proposes to proceed with the lead option (option 2).

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[7] http://www.bis.gov.uk/assets/biscore/better-regulation/docs/o/11-671-one-in-one-out-methodology.pdf

Implementation Plan

45. The Government has laid amendments to the Banking Reform Bill for consideration at Lords Committee stage to ensure that the UK has bail-in powers at as early a date as possible in order to protect the taxpayer from exposure to future banking crises.