



- (b) undertakings the business of which is to provide services or facilities, or both, exclusively or mainly to undertakings which are subsidiary undertakings of a parent undertaking of the bank;

“financial institution”, in the definition of “financial holding company”, means an undertaking other than a credit institution, the principal activity of which is to acquire holdings or to pursue one or more of the activities listed in points 2 to 12 and 15 of Annex I to the banking consolidation directive;

“the first non-life insurance directive” means the Council Directive of 24 July 1973 on the co-ordination of laws, regulations and administrative provisions relating to the taking up and pursuit of the business of direct insurance other than life assurance (No 73/239/EEC)(a);

“the life assurance consolidation directive” means Directive 2002/83/EC of the European Parliament and of the Council of 5th November 2002 concerning life assurance(b);

“insurance undertaking” means an undertaking which has received authorisation as an insurance undertaking in accordance with the first non-life insurance directive or the life assurance consolidation directive;

“resolution group holding company” has the meaning given by article 4.

### **Specified conditions**

2.—(1) The following conditions are specified for the purposes of section 81D(1) of the Banking Act 2009.

(2) The undertaking must be—

- (a) a subsidiary undertaking of the bank;
- (b) a parent undertaking of the bank which is a financial holding company; or
- (c) a subsidiary undertaking of the resolution group holding company.

(3) The business of the undertaking must not be wholly or mainly—

- (a) the holding of security as trustee for a person who holds a capital market investment issued by a party to a capital market arrangement for the purposes of which the security was granted to the undertaking;
- (b) to guarantee the performance of obligations of a party to a capital market arrangement; or
- (c) to provide security for the performance of obligations of a party to a capital market arrangement.

### **The resolution group holding company**

3.—(1) In this order, the “resolution group holding company” means the undertaking which meets all of the conditions set out in this article.

(2) The first condition is that the undertaking is a parent undertaking of the bank.

(3) The second condition is that the undertaking is a financial holding company.

(4) The third condition is that the undertaking does not have a subsidiary undertaking which meets the first and the second conditions.

(5) But the third condition does not apply in respect of an undertaking if the Bank of England is satisfied that it is necessary for that condition not to apply in order to implement the first stabilisation option in respect of the bank or to facilitate the second stabilisation option in respect of the bank.

(6) Before determining whether or not the Bank of England is satisfied as mentioned in paragraph (5), the Bank must consult—

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(a) [insert OJ ref]  
(b) [insert OJ ref]

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

**Amendment to the Banking Act 2009 (Restriction of Partial Property Transfers) Order 2009**

4.—(1) The Banking Act 2009 (Restriction of Partial Property Transfers) Order 2009(a) is amended as follows.

(2) In article 1(3) (citation, commencement and interpretation), in the definition of “banking institution”—

- (a) after paragraph (a), insert—
  - “(aa) an investment firm;
  - (ab) a banking group company;”;
- (b) in paragraph (b), after “bank” insert “or an investment firm”.

(3) After article 9 (termination rights), insert—

**“Banking Group Companies**

9A.—(1) A partial property transfer to which this Order applies may not transfer property, rights or liabilities of a banking group company unless the property or rights are necessary for the carrying on of business of the bank.

(2) This article does not apply in respect of a banking group company which is a parent undertaking of the bank.”.

	<i>Name</i>
	<i>Name</i>
Date	Two of the Lords Commissioners of Her Majesty’s Treasury

**EXPLANATORY NOTE**  
*(This note is not part of the Order)*

[Text to be inserted]

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(a) S.I. 2009/322.