

BANK RESOLUTION (RECAPITALISATION) BILL [HL]

EXPLANATORY NOTES ON COMMONS AMENDMENTS

What these notes do

- These Explanatory Notes relate to the Commons Amendments to the Bank Resolution (Recapitalisation) Bill [HL] as brought from the House of Commons on 25 April 2025 (HL Bill 95).
- These Explanatory Notes have been prepared by HM Treasury in order to assist the reader of the Bill on the Commons amendments, and to help inform debate on the Commons amendments. They do not form part of the Bill and have not been endorsed by Parliament.
- These Explanatory Notes, like the Commons amendments themselves, refer to Bill 132, the Bill as first printed for the Commons.
- These Explanatory Notes need to be read in conjunction with the Commons amendments and the text of the Bill. They are not, and are not meant to be, a comprehensive description of the Commons amendments.
- The Commons amendments were tabled in the name of the Emma Reynolds MP, the Economic Secretary to the Treasury.

Commentary on Commons Amendments

Commons Amendment to Clause 1

Commons Amendment 1

- 1 This amendment disapplies the restriction on the scope of the Bank of England's ability to exercise the power in new section 214E of the Financial Services and Markets Act 2000.
- 2 It does this by removing the restriction that the Bank of England must not require the scheme manager to make a recapitalisation payment in respect of a firm, if the firm has been directed by the Bank to hold an end-state MREL in excess of minimum capital requirements. This is to preserve some flexibility for the Bank of England in its use of the power in new section 214E.

Commons Amendment to Clause 8

Commons Amendment 2

- 3 This amendment removes the privilege amendment added to the Bill in the House of Lords.

Financial effects of Commons Amendments

- 4 The Department does not consider that any of the Commons amendments give rise to any significant expenditure.

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