

EXPLANATORY MEMORANDUM TO

The Banking Act 2009 (Restriction of Partial Property Transfers) Order 2009

2009 No. 322

1. This explanatory memorandum has been prepared by Her Majesty's Treasury and is laid before Parliament by Command of Her Majesty.

This memorandum contains information for the Joint Committee on Statutory Instruments.

2. Purpose of the instrument

- 2.1 Parts 1 to 3 of the Banking Act 2009 ("the Act") establish a Special Resolution Regime (SRR). The SRR provides the Treasury, the Bank of England and the Financial Services Authority (collectively referred to as the "Authorities") with various options for dealing with a failing bank and certain other financial institutions.
- 2.2 Part 1 of the Act confers powers on the Bank of England and, in certain circumstances, the Treasury to transfer the securities in, and property of, a bank or certain other financial institutions where certain conditions (see sections 7-9) are satisfied. In certain circumstances, the Treasury or the Bank of England may make a transfer of some, but not all, of the property of a failing bank or financial institution ("a partial property transfer").
- 2.3 The Act (sections 47-48) enables the Treasury to make an Order which restricts or which imposes conditions on the making of partial property transfers and in particular to make provision to protect certain interests including security interests and set-off and netting arrangements.
- 2.4 The Order protects certain risk reduction arrangements, used by counterparties of banks and financial institutions, from disruption by providing legislative safeguards.
- 2.5 The Order provides the following package of safeguards for partial property transfers:
 - a broad safeguard for rights to set off and net, with various exceptions including rights in connection with deposits of depositors who are eligible for compensation under the Financial Services Compensation Scheme ("FSCS"; this includes most individuals and some small businesses), subordinated debt issued by the failing bank or the failing bank's counterparty, and foreign property that cannot be effectively transferred by the transfer order or instrument
 - a protection for security interests
 - protections for termination rights under financial contracts which contain rights to set off or net
 - protection for capital market arrangements

- restrictions on reverse partial property transfers (i.e. transfers of property back to the original transferee), which prevent the Bank or the Treasury from transferring back certain types of contract
- protection for default rules of clearing houses and investment exchanges and market contracts, reflecting protections under Part VII of the Companies Act 1985
- prohibition on use of the powers to provide for continuity of intra-group services and facilities in a way which would undermine the interests protected by the Order (including the protections for set-off and netting); and
- provision for remedies in relation to a contravention by the Authorities of any provision of the Order, including protection for set off and netting arrangements, provision that action in breach of certain other safeguards is void and provision for administrative means to remedy contraventions of the other safeguards.

3. Matters of special interest to the Joint Committee on Statutory Instruments

- 3.1 Pursuant to section 259(4) to (6) of the Act, this Order is being made under the 28-day affirmative procedure.
- 3.2 This is the first time the powers conferred by sections 47 and 48 of the Act are being exercised. The Treasury are satisfied that it is necessary to exercise these powers without laying a draft of the Order for approval.
- 3.3 It is necessary to commence the powers conferred by the Act to make a partial property transfer order or instrument on 21st February 2009. This is because the powers to make provision for the transfer of the shares or property of a failing bank or banking institution provided for in the Banking (Special Provisions) Act 2008 largely cease to be exercisable on 20th February 2009. Given the current financial instability, it is essential that the Authorities have adequate powers to make provision in relation to failing banks and financial institutions.
- 3.4 This Order sets out restrictions and imposes conditions on the making of partial property transfers. It is essential that this Order comes into force at the same time as the powers in the Act to make a partial property transfer order or instrument come into force. This will ensure that the power to make a partial property transfer is subject to appropriate limitations and safeguards.

4. Legislative Context

- 4.1 This Order is part of a package of secondary legislation made in connection with the coming into force of the SRR on 21st February 2009.
- 4.2 This Order is made primarily under sections 47 and 48 of the Act.

5. Territorial Extent and Application

- 5.1 This instrument applies to the United Kingdom.

6. European Convention on Human Rights

- 6.1 The Economic Secretary to the Treasury, Ian Pearson MP, has made the following statement regarding Human Rights: 'In my view the provisions of the Banking Act 2009 (Restriction of Partial Property Transfers) Order 2009 is compatible with the Convention rights'.

7. Policy background

- ***What is being done and why***

- 7.1 If counterparties and creditors of UK banks do not have legal certainty as to how a partial property transfer made under the Act will affect their contractual interests, negative market reactions are likely. These negative reactions are likely to include higher regulatory capital requirements for UK banks and other financial institutions (referred to below as "UK banks") and other regulated institutions that deal with UK banks, and higher costs of funding for UK banks, both domestically and internationally. In addition, lack of legal certainty will impact adversely on the credit risk of UK banks. Counterparties need to be sure that their risk reducing arrangements (including set-off and netting arrangements) are effective if these arrangements are to be used to reduce the amount of capital counterparties need to hold against an exposure to another counterparty.

- 7.2 The Order provides legislative safeguards for the benefit of creditors and counterparties of UK banks so as to provide them with greater certainty as to how a partial property transfer might affect their contractual rights and to ensure that there are appropriate restrictions and limitations on the powers of the Treasury and the Bank to provide for a partial property transfer.

- ***Consolidation***

- 7.3 This the first Order to be made under sections 47 and 48 of the Act. No consolidation is necessary.

8. Consultation outcome

- 8.1 The Government consulted widely on the safeguards that should be implemented to provide sufficient legal certainty to financial markets participants, while allowing the Authorities necessary flexibility to carry out partial property transfers in the interests of financial stability and minimising tax-payer exposure. The Government consulted throughout the formulation of the policy with a group of banking industry experts, the 'Expert Liaison Group' (ELG). This Order reflects the outcome of that consultation process.

9. Guidance

- 9.1 It is not considered necessary to issue specific guidance in connection with this Order. However, under section 5 of the Act, the Treasury is obliged to issue a code of practice about the use of the stabilisation powers, the bank insolvency procedure and the bank administration procedure. The Code of Practice will

contain further material on this Order and on how partial property transfers will be carried out.

10. Impact

- 10.1 The impact on business, charities or voluntary bodies is that potentially damaging disruption of their contractual rights and methods reducing credit risk, for example, set-off and netting and financial collateral arrangements, due to the existence of partial property transfer powers, will be either entirely avoided, or minimised.
- 10.2 The impact on the public sector is that the Authorities must have regard to the Order when considering and executing a partial transfer of a failing bank. This may lead to a more expensive resolution of a failing bank.
- 10.3 An Impact Assessment is attached to this memorandum.

11. Regulating small business

- 11.1 The legislation applies to small business.

12. Monitoring & review

- 12.1 The Banking Act 2009 requires the Treasury to make arrangements for a panel to advise the Treasury about the effect of the SRR on banks, persons with which banks do business and the financial markets. In particular the panel may advise the Treasury about the exercise of powers to make certain statutory instruments. This panel, the 'Banking Liaison Panel' (BLP), will keep this Order under review and, where appropriate, provide advice to the Treasury about this Order. The Treasury will also keep this Order under review itself.

13. Contact

James Ridgwell at the Treasury, Tel: 02072704883, or email: James.Ridgwell@hm-treasury.gov.uk, can answer any queries regarding the instrument.

Summary: Intervention & Options

Department /Agency: HM Treasury	Title: Impact Assessment of the Banking Act 2009 (Restriction of Partial Property Transfers) Order 2009	
Stage: Final	Version: 1	Date: 18 February 2009
Related Publications: “Financial stability and depositor protection: further consultation” – July 2008, “Banking Bill: Impact Assessment” – October 2008 “Special resolution regime: safeguards for partial property transfers” – November 2008		

Available to view or download at:

<http://www.www.hm-treasury.gov.uk>

Contact for enquiries: James Ridgwell

Telephone: 02072704883

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

The Banking Act 2009 includes a provision whereby the Authorities¹ may transfer some, but not all, of the property of a failing UK bank. The unfettered ability of the Authorities to carry out partial property transfers would cause major problems for important risk reduction (such as set-off and netting and collateral) arrangements for transactions involving UK banks. A loss in legal certainty in these areas would ultimately result in higher costs of funding, and higher regulatory capital requirements, for UK banks. Following close dialogue with the financial services industry, it became clear that legislative safeguards are necessary to avoid these negative consequences. The Government committed to providing such safeguards.

What are the policy objectives and the intended effects?

Partial transfer powers are an important tool that may be employed, where a bank is likely to fail, to support financial stability and protect depositors while reducing risk for public funds. The powers may be used to transfer specific property, such as a failing bank's deposit book, to, for example, a healthy bank. The objective of this safeguard Order is to avoid material negative market impact of taking these powers by mitigating the uncertainty described above, while leaving sufficient flexibility for the Authorities to take effective and timely action to protect financial stability while minimising tax-payer exposure to a failing bank. For example, the Authorities could use partial transfer powers to protect 'retail' bank counterparties by transferring their deposits to a healthy bank.

What policy options have been considered? Please justify any preferred option.

There is a need to safeguard various important contractual arrangements used to reduce counterparty risk (in relation to banking) from the threat of disruption under partial transfers, including; set-off and netting, financial collateral, structured finance and clearing/settlement house default rules. Various options as to the form the safeguards should take have been considered, including non legislative safeguards. However it was the strong preference of industry stakeholders to provide legislative safeguards for the use of partial transfers - see below for further details.

Overall, the Government proposes to provide broad and powerful protection for the areas indicated above, with some carefully targeted exceptions.

When will the policy be reviewed to establish the actual costs and benefits and the achievement of the desired effects?

The Banking Act provides for a standing group, known as the 'Banking Liaison Panel' (BLP) to advise the Government as to the effect of the safeguard Order on the financial market as a whole.

¹ The Authorities: HM Treasury, the Financial Services Authority (FSA), and the Bank of England (the Bank).

Ministerial Sign-off For final proposal/implementation stage Impact Assessments:

I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.

Signed by the responsible Minister:

IAN PEARSON MP, ECONOMIC SECRETARY TO THE TREASURY

.....Date: 18 February 2009

Summary: Analysis & Evidence

Policy Option: as set-out in the Order.	Description: see below
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COSTS	ANNUAL COSTS	Description and scale of key monetised costs by 'main affected groups' See below
	One-off (Transition) Yrs	
	£ 	
	Average Annual Cost (excluding one-off)	
£ 	Total Cost (PV)	£
Other key non-monetised costs by 'main affected groups' n/a		

BENEFITS	ANNUAL BENEFITS	Description and scale of key monetised benefits by 'main affected groups' See below
	One-off Yrs	
	£ 	
	Average Annual Benefit (excluding one-off)	
£ 	Total Benefit (PV)	£
Other key non-monetised benefits by 'main affected groups' n/a		

Key Assumptions/Sensitivities/Risks

Price Base Year	Time Period Years	Net Benefit Range (NPV) £ 	NET BENEFIT (NPV Best estimate) £
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What is the geographic coverage of the policy/option?	UK				
On what date will the policy be implemented?	21 February 2009				
Which organisation(s) will enforce the policy?	Judiciary, FSA				
What is the total annual cost of enforcement for these organisations?	£ Not known				
Does enforcement comply with Hampton principles?	Yes				
Will implementation go beyond minimum EU requirements?	No				
What is the value of the proposed offsetting measure per year?	£				
What is the value of changes in greenhouse gas emissions?	£ n/a				
Will the proposal have a significant impact on competition?	No				
Annual cost (£-£) per organisation (excluding one-off)	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; text-align: center;">Micro</td> <td style="width: 25%; text-align: center;">Small</td> <td style="width: 25%; text-align: center;">Medium</td> <td style="width: 25%; text-align: center;">Large</td> </tr> </table>	Micro	Small	Medium	Large
Micro	Small	Medium	Large		
Are any of these organisations exempt?	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; text-align: center;">No</td> <td style="width: 25%; text-align: center;">No</td> <td style="width: 25%; text-align: center;">N/A</td> <td style="width: 25%; text-align: center;">N/A</td> </tr> </table>	No	No	N/A	N/A
No	No	N/A	N/A		

Impact on Admin Burdens Baseline (2005 Prices)		(Increase - Decrease)
Increase of £ 	Decrease of £ 	Net Impact £

Key: Annual costs and benefits: Constant Prices (Net) Present Value

Safeguards for partial transfers

Policy, rationale, development

Introduction

The Authorities are keen that they have the ability to quickly take action, via partial transfers (under the Banking Act 2009), in the interests of financial stability and minimising tax-payer exposure. For example, the Authorities would wish to protect, and provide continuity of banking service (and thereby avoid a loss of liquidity) to, 'retail' bank counterparties.

However, if other counterparties and creditors do not have legal certainty that their contractual interests will be respected, due to concerns that such interests could be disrupted by a partial transfer, negative market reactions are likely. These consequences would include higher regulatory capital requirements for UK banks and other regulated institutions that deal with UK banks, and higher costs of funding for UK banks, both domestically and internationally, due to the increased regulatory capital requirements affect, and the closely related credit risk affect. The Order therefore provides legislative safeguards for such creditors and counterparties of UK banks, to counter fears that their interests could be damaged if the UK Authorities make a partial property transfer of a failing bank with which they had contracted.

Consultation

The Government consulted on the policy to be implemented by the Order, and on the drafting of the Order itself. A consultation paper, '*Special resolution regime: safeguards for partial transfers*' was published on 6 November 2008. The Government also sought direct stakeholder engagement via meetings with, and other input from, the Expert Liaison Group' (ELG). The ELG was made up of representatives from the financial services industry (the ELG has now been superseded by the statutory 'Bank Liaison Panel' (BLP), provided for under the Banking Act. Overall, it should be noted that stakeholder input has resulted in the safeguards policy changing significantly to provide extra protection for the financial services market.

The policy

The package of safeguards for partial transfers includes:

- **A broad safeguard for set off and netting.** Set-off is a simple concept whereby party A is able to set any debt it owes Party B against anything Party B may owe Party A, and visa versa. Netting simply refers to the result of setting more than two contracts against each other. Set-off and netting is used through-out the financial services industry to allow counterparties to reduce their exposure to each other – as the net exposure each counterparty faces is likely to be smaller, and in many cases, much smaller - than the gross exposure that would result from an absence of set-off and netting.

Due to the importance of set-off and netting to the financial services industry, the Government is providing a broad protection, with a small number of targeted carve-outs. This means that, provided a counterparties' property falls within the safeguard, that counterparties' property must be transferred to a new bank (or 'new company', 'newco'), or left in place (in the 'residual company', or 'resco'), along with the other property belonging to that counterparty that is covered by a given set-off and netting arrangement.

There will be a carve-out for FSCS eligible deposits and transfers that predominantly include FSCS deposits, a carve-out for self-issued subordinated debt securities, and a carve-out for foreign property that cannot be transferred.

This policy protects the vast majority of set-off netting arrangements used in the financial markets. It delivers certainty to the market as participants know that, if it is not carved-out, it is protected. The carve-outs allow the Authorities to transfer some or all of the property (such as deposits only) of 'retail' counterparties quickly, to ensure continuity of banking service. Foreign property is covered by the set-off and netting safeguard. This is important, as wholesale counterparties may expect to net all of their relationships with a counterparty, and it is highly likely that some of those relationships will be defined as 'foreign property'. However, the policy ensures flexibility for the Authorities by stating that, in the situation where an attempt is made to transfer foreign property in line with the Order, and that the transfer fails (for example, because a foreign court refuses to recognise the transfer) the fact that other property may have been transferred, and a set-off and netting arrangement disrupted, is *not* a breach of the Order. This is important, as a single piece of foreign property that cannot be transferred could otherwise prevent an entire partial or even whole transfer. The policy confirms that self-issued subordinated debt securities cannot be promoted up the insolvency ranking by being set-off against non-subordinated counterparty claims.

The policy reflected above has developed considerably since safeguards for partial transfers were first mooted in consultations published in the summer of 2008. The Government, in conjunction with stakeholders, initially considered a safeguard predicated on 'Qualifying Financial Contracts' (QFCs). A QFC approach would have stated what was protected, while leaving all other set-off and netting relationships unprotected. However, this approach would not have protected all the set-off and netting arrangements relevant for risk management and regulatory capital in the market. It would have become obsolete very quickly, been very vulnerable to 'gaming', and might have stymied financial innovation. Ultimately, its 'carve-in' approach could not have given counterparties the certainty they needed. The Government also considered a set-off and netting safeguard predicated on so-called 'industry master netting agreements' (IMNAs). But an IMNA approach would not have caught all relevant set-off and netting safeguards. Market participants could have attempted to catch all of the property they wished to net under the safeguard by writing their contracts under an IMNA, however, this would have been less than certain and disruptive. As a consequence, the government moved to the 'broad protection with targeted carve-outs' approach in the 6 November consultation document. It should be noted that the Government has continued to modify its policy after the consultation document was published, to ensure that the carve-outs did not affect the netting of property important to the market. Wide drafting for the 'retail' carve-out has been narrowed, to ensure that wholesale property is not inappropriately carved-out of the safeguard. A 'carve-out' for 'all liabilities' was removed. A carve-out for foreign property was finessed to the policy set-out above, and a carve-out for self-issued securities of any kind was finessed to include only subordinated securities.

- **Broad protection for security interests (such as financial collateral arrangements).** A security interest is the interest a creditor has in an asset that belongs to the debtor, and over which the creditors has recourse in the event of their debtor defaulting on a liability to the creditor. Security interests can be over a specific asset (a fixed charge), or over a changing pool of assets (a floating charge).

Broad protection for security interests provides certainty to the market that it can rely on its financial collateral arrangements. Participants can be sure that the asset they have security over in relation to a loan made to a bank will not be 'cherry picked', that is, transferred to a newco, without the bank's liability to the counterparty also being transferred to a newco. The FSA-rule caveat simply prevents a bank using the protection provided by this Order to frustrate and overrule the will of the FSA.

The market lobbied for strong protection for security interests. The Government indicated that this would be provided in earlier consultations, and this policy was reflected in the 6 November consultation document.

- **Protection for default rules of clearing houses and investment exchanges and market contracts**, reflecting protections under Part VII of the Companies Act.

This will prevent partial transfer powers from causing damaging uncertainty for vital central counterparty infrastructure in the UK.

This protection was added to the Order in response to concerns raised in responses to the November consultation.

- **Prohibition on use of the powers to provide for continuity of intra-group services and facilities in a way which would contravene the key safeguards provided for in the Safeguards Order** (including the protections for set off and netting).

This policy enables the market to have certainty in the legal effectiveness of its contractual arrangements, while reducing possible uncertainty for a Private Sector Purchaser who may be interested in acquiring transferred property from a failing bank.

This policy was developed in close consultation with stakeholders, especially the ELG.

- **Explicit provision for breaches by the Authorities of any safeguard**, including automatic protection for set off and netting arrangements, provision that action in breach of certain other safeguards is void and provision for administrative means to remedy breaches of the other safeguards.

This policy enables the market to have certainty in the legal effectiveness of its contractual arrangements, while reducing possible uncertainty for a Private Sector Purchaser who may be interested in acquiring transferred property from a failing bank.

This policy was developed in close consultation with stakeholders, especially the ELG.

- **Targeted protections for termination rights under financial contracts** (that are relevant for set off and netting).

This policy enables the market to have certainty in the legal effectiveness of its contractual arrangements, while reducing possible uncertainty for a Private Sector Purchaser who may be interested in acquiring transferred property from a failing bank.

This policy was developed in close consultation with stakeholders, especially the ELG.

- **Protection for structured finance arrangements.**
- **Restrictions on reverse partial transfers**, which prevent the Authorities transferring certain types of contract from the solvent 'newco' back to an insolvent 'resco', in the interests of ensuring those transferred to 'newco' can have confidence in their position.

Cost Benefit analysis

As discussed in the Impact Assessment to the Banking Act 2009², there are certain risks, some significant, to the creation of an SRR for failing banks. A number of these risks would cause costs to the economy, especially the financial services sector, if they fully crystallised. Others could reduce the effectiveness of the regime.

a) However, it should be noted that regimes similar to the SRR exist in other countries. Indeed, most G10 countries have special arrangements for dealing with a failing bank, rather than relying on normal corporate insolvency laws. The operation and existence of these regimes suggests that any adverse impact on the financial markets is modest, whilst accepting that the risks of an SRR regime have to be assessed in the particular context of this country and its financial markets.

b) Perhaps the greatest risk attached to the introduction of permanent SRR tools is that, without appropriate safeguards, giving the Authorities broad powers to resolve failing banks could increase the costs of capital and funding for banks. Stakeholders have noted that this risk is

² Published 7 October 2008. http://www.hm-treasury.gov.uk/d/banking_bill_ia081008.pdf

greatest for a partial transfer. In broad terms, this could occur if counterparties perceive there to be an increased risk that their property rights will be interfered with.. In the context of the banking sector the cost of funding relates to the price of borrowing and is one function of banks' cost of business and, although a commercial decision, stakeholders have told us that if there were no safeguards for partial transfers, it is likely that at least a portion of any increase would be passed on to consumers,. If this occurred across the banking sector, aggregate consumption and investment could be affected, although effects would be constrained by overseas competition. There is little evidence, however, that the existence of special regimes in other countries has raised the costs of capital and funding for banks. Offsetting this risk is the potential benefit that the legislation could bring to make financial markets work more efficiently and reduce the systemic risk attached to the sector.

c) If risks relating to the cost of funding for banks crystallised then it is possible that the attractiveness of London, compared to other financial centres of business, would be reduced. London, and the UK more widely, is generally considered an attractive location to do business. English law is widely acknowledged to be an attractive legal form in which to agree financial transactions.

d) The Banking Act seeks to minimise this risk by introducing a number of safeguards that surround a partial transfer. This Order, alongside regulations designed to ensure that no creditor can end up in a worse position than if the Bank had gone into insolvency or administration, represent the Government's definitive safeguards for partial transfers, which have been developed during a process of intensive consultation with the industry.

The benefits of introducing partial transfer powers (with the proposed safeguards) are hard to quantify. However, as discussed in the impact assessment to the Banking Act, the Government believes that the benefits out-weigh the risks set out above. Partial transfers allow the Authorities to safeguard targeted counterparties of a failing bank if this is deemed in the public interest (for example, to ensure the protection of depositors or to promote financial stability), without requiring the tax-payer to bail out the failing bank in its entirety and promoting and encouraging the possibility of a private sector solution (this will allow the Authorities to keep tax-payer exposure to a minimum). These points will help promote wider confidence in the ability of the Authorities to protect, for example, 'retail' deposits. This will help promote wider confidence in the financial system, while the safeguards provide confidence to professional counterparties that their contractual protections are clear.

The safeguards introduced by this Order will reduce the risks and costs posed by the existence of powers to carry out partial transfers to an absolute minimum whilst retaining the Authorities flexibility to protect financial stability via a partial transfer of a failing bank if this is the stabilisation option which represents the best chance of a successful resolution. We believe that there will be a small one-off cost associated with the industry engaging with the new regime (transition cost). We do not believe that the transition cost would be large, as under our partial transfer regime the vast majority of existing financial services arrangements may be continued largely as before. The affected group is the entire UK financial services industry.

Summary: Analysis & Evidence

Policy Option:	Description:
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COSTS	ANNUAL COSTS	Description and scale of key monetised costs by 'main affected groups' See above for cost benefit analysis
	One-off (Transition) Yrs	
	£	
	Average Annual Cost (excluding one-off)	
£	Total Cost (PV)	£
Other key non-monetised costs by 'main affected groups'		

BENEFITS	ANNUAL BENEFITS	Description and scale of key monetised benefits by 'main affected groups' See above for cost-benefit analysis
	One-off Yrs	
	£	
	Average Annual Benefit (excluding one-off)	
£	Total Benefit (PV)	£
Other key non-monetised benefits by 'main affected groups'		

Key Assumptions/Sensitivities/Risks That the safeguard Order provides for legal certainty as to what is, and is not safeguarded, and that it successfully covers the right elements of the financial services market.

Price Base Year	Time Period Years	Net Benefit Range (NPV) £	NET BENEFIT (NPV Best estimate) £
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What is the geographic coverage of the policy/option?	UK
On what date will the policy be implemented?	21 February
Which organisation(s) will enforce the policy?	FSA, Judiciary
What is the total annual cost of enforcement for these organisations?	£ n/a
Does enforcement comply with Hampton principles?	Yes
Will implementation go beyond minimum EU requirements?	Yes
What is the value of the proposed offsetting measure per year?	£ n/a
What is the value of changes in greenhouse gas emissions?	£ n/a
Will the proposal have a significant impact on competition?	No
Annual cost (£-£) per organisation (excluding one-off)	Micro Small Medium Large
Are any of these organisations exempt?	N/a N/a N/A N/A

Impact on Admin Burdens Baseline (2005 Prices)		(Increase - Decrease)
Increase of £	Decrease of £	Net Impact £ See above

Key: Annual costs and benefits: Constant Prices (Net) Present Value

Specific Impact Tests: Checklist

Use the table below to demonstrate how broadly you have considered the potential impacts of your policy options.

Ensure that the results of any tests that impact on the cost-benefit analysis are contained within the main evidence base; other results may be annexed.

Type of testing undertaken	<i>Results in Evidence Base?</i>	<i>Results annexed?</i>
Competition Assessment	No	No
Small Firms Impact Test	Yes	No
Legal Aid	No	No
Sustainable Development	No	No
Carbon Assessment	No	No
Other Environment	No	No
Health Impact Assessment	No	No
Race Equality	No	No
Disability Equality	No	No
Gender Equality	No	No
Human Rights	Yes	Yes
Rural Proofing	No	No

Annexes

http://www.hm-treasury.gov.uk/consult_special_resolution_regimes.htm