Draft Order laid before Parliament under section 62(2) of the Banking Act 2009, for approval by resolution of each House of Parliament.

D R A F T S T A T U T O R Y I N S T R U M E N T S

2024 No.

BANKS AND BANKING

The Silicon Valley Bank UK Limited Compensation Scheme Order 2024

Made - - - - ***

Coming into force in accordance with article 1(2)

The Treasury make this Order in exercise of the powers conferred by sections 49(2), 50(2), 61(2) and 259(1) of the Banking Act 2009(**a**).

A draft of this Order has been laid before Parliament and approved by a resolution of each House of Parliament in accordance with section 62(2) of the Banking Act 2009.

Citation, commencement, extent and interpretation

1.—(1) This Order may be cited as the Silicon Valley Bank UK Limited Compensation Scheme Order 2024.

(2) This Order comes into force on the day after the day on which it is made.

(3) This Order extends to the England and Wales, Scotland and Northern Ireland.

(4) In this Order, "Silicon Valley Bank UK Limited" means the company incorporated on 3rd April 2020 with the company registered number 12546585.

Determination of amount of compensation

2. The amount of compensation payable by the Treasury to persons who held shares in Silicon Valley Bank UK Limited immediately before those shares were transferred by the Silicon Valley Bank UK Limited Mandatory Reduction and Share Transfer Instrument 2023(**b**) is determined as nil.

Name
Name

Date — Two Lords Commissioners of His Majesty's Treasury

(**a**) 2009 c. 1.

(**b**) The Silicon Valley Bank UK Limited Mandatory Reduction and Share Transfer Instrument 2023 was made on 13th March 2023 by the Bank of England in exercise of the powers conferred on it by sections 6B, 11(2), 15, 17, 18, 20, 21, 23, 48L, 48N, 48O, 48Q, 48S and 66 of the Banking Act 2009. The instrument is available on the Bank of England's website at www.bankofengland.co.uk, and it can also be obtained from HM Treasury, 1 Horse Guards Road, London SW1A 2HQ.

EXPLANATORY NOTE

(This note is not part of the Order)

This Order makes provision about compensation arrangements in respect of the transfer of shares in Silicon Valley Bank UK Limited to HSBC UK Bank plc by virtue of the Silicon Valley Bank UK Limited Mandatory Reduction and Share Transfer Instrument 2023 (the "Transfer Instrument").

The Transfer Instrument was made by the Bank of England on 13th March 2023 under the special resolution regime in the Banking Act 2009 (c. 1) (the "Act"). In making the Transfer Instrument, the Bank of England exercised the "private sector purchaser" stabilisation option, which enables the transfer of shares to a commercial purchaser (section 11 of the Act).

Where this stabilisation option has been exercised by the Bank of England, the Treasury is required to make provision for a compensation scheme (section 50(2) of the Act). Article 2 of this Order makes provision for a compensation scheme under which the amount of compensation payable is determined as nil.

A full impact assessment has not been produced for this instrument, as no, or no significant, impact on the private, voluntary or public sector is foreseen.

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