
STATUTORY INSTRUMENTS

1995 No. 1442

**The Credit Institutions (Protection
of Depositors) Regulations 1995**

Part V

Miscellaneous and supplemental

Supplemental

Enforcement: UK and non-EEA institutions

49.—(1) In subsection (1A)(1) of section 11 of the 1987 Act (revocation of authorisation)—

- (a) in paragraph (e), after the words “the Banking Coordination (Second Council Directive) Regulations 1992” there shall be inserted the words “or the Credit Institutions (Protection of Depositors) Regulations 1995”; and
- (b) in paragraph (f), after the words “Second Council Directive” there shall be inserted the words “or Directive [94/19/EC](#) on deposit-guarantee schemes”.

(2) in its application to a UK institution or participating non-EEA institution, subsection (2) of section 12 of the 1987 Act (restriction of authorisation) shall have effect as if the reference in paragraph (b) to the protection of the institution’s depositors or potential depositors included references to—

- (a) securing the payment by the institution of unpaid contributions; and
- (b) in the case of a UK institution, securing that the institution complies with any obligation imposed by or under the law of another EEA State in connection with its participation in a scheme for the protection of depositors or investors which is in force in that State.

(3) Where the Bank—

- (a) is informed by the Deposit Protection Board of an unpaid contribution of a UK institution or participating non-EEA institution; or
- (b) is informed by a supervisory authority in another EEA State that a UK institution is failing to comply with such an obligation as is mentioned in paragraph (2)(b) above,

the Bank shall, after such consultation with that Board or supervisory authority as it considers appropriate, consider whether to exercise its powers under section 11 or 12 of the 1987 Act.

(4) In this regulation “unpaid contribution”, in relation to an institution, means any amount specified in a notice served on the institution under subsection (2) of section 52 of the 1987 Act which remains unpaid after the period of 21 days mentioned in that subsection.

(1) Subsection (1A) was inserted by the Banking Coordination (Second Council Directive) Regulations 1992 (S.I.1992/3218), regulation 28(1).

Enforcement: EEA institutions

50.—(1) In that paragraph (2)(c) of regulation 9 of the 1992 Regulations (power to prohibit the acceptance of deposits), for the words from “by these Regulations” to the end there shall be substituted—

- “(i) by these Regulations or by or under any of the relevant Acts; or
- (ii) by the Credit Institutions (Protection of Depositors) Regulations 1995:.”

(2) In paragraph (2)(d) of that regulation for the words “the implementation of the second Council Directive” there shall be substituted—

- “(i) the implementation of the Second Council Directive; or
- (ii) the implementation of Directive [94/19/EC](#) on deposit-guarantee schemes;.”

Enforcement: building societies

51.—(1) In relation to any building society, subsection (1) of section 42 of the 1986 Act⁽²⁾ (imposition of conditions on authorisation) shall have effect as if the reference to protecting the investments of the society’s shareholders or depositors included references to—

- (a) securing the payment by the society of unpaid contributions; and
- (b) securing that the society complies with any obligation imposed by or under the law of another EEA State in connection with its participation in a scheme for the protection of depositors or investors which is in force in that State.

(2) In subsection (1A) of section 43 of the 1986 Act⁽³⁾ (revocation of authorisation)—

- (a) after paragraph (b) there shall be inserted the following paragraph—
 - “(bb) it appears to the Commission that the society has failed to comply with any obligation imposed on it by or under Part IV of this Act;.”
- (b) in paragraph (e), after the words “the Banking Coordination (Second Council Directive) Regulations 1992” there shall be inserted the words “or the Credit Institutions (Protection of Depositors) Regulations 1995”; and
- (c) in paragraph (f), after the words “the Second Council Directive” there shall be inserted the words “or Directive [94/19/EC](#) on deposit-guarantee schemes”.

(3) Where the Commission—

- (a) is informed by the Investor Protection Board of an unpaid contribution of a building society; or
- (b) is informed by a supervisory authority in another EEA State that a building society is failing to comply with such an obligation as is mentioned in paragraph (1)(b) above,

the Commission shall, after such consultation with that Board or supervisory authority as it considers appropriate, consider whether to exercise its powers under section 42 or 43 of the 1986 Act.

(4) In this regulation “unpaid contribution”, in relation to a building society, means any amount specified in a notice served on the institution under subsection (8) of section 26 of the 1986 Act which remains unpaid after the period of 21 days mentioned in that subsection.

(2) [1986 c. 53](#); section 42 was amended by the Banking Coordination (Second Council Directive) Regulations 1992 (S.I. [1992/3218](#)), regulation 70.

(3) [1986 c. 53](#); section 43 was amended by the Banking Coordination (Second Council Directive) Regulations 1992 (S.I. [1992/3218](#)), regulation 71.

Consequential amendments

52.—(1) In subsection (2A)(4) of section 119 of the 1986 Act (interpretation), after the word “ecu” there shall be inserted the words “(except in Part IV)”.

(2) In the Banking Act 1987 (Advertisements) Regulations 1988(5), regulation 6 shall be omitted.

(3) In Schedule 9 to the Insolvency (Northern Ireland) Order 1989(6) (amendments), paragraphs 42, 43(a), 50(a) and (c) and 51 (which are superseded by regulations 30, 31, 39 and 41 above) shall be omitted.

(4) In Schedule 8 to the 1992 Regulations (amendments of 1987 Act), paragraphs 13 to 16 (which are superseded by Part III of these Regulations) shall be omitted.

Transitional provisions and savings

53.—(1) The provisions of Part III of these Regulations shall not apply in any case where—

(a) an institution becomes insolvent (within the meaning of Part II of the 1987 Act) at any time before the commencement date and at that time—

(i) it is an authorised institution; or

(ii) it is a former authorised institution (not being a recognised bank or licensed institution excluded by an order under section 23(2) of the Banking Act 1979; or

(b) an administration order is made in relation to an institution under section 8 of the Insolvency Act 1986 or under Article 21 of the Insolvency (Northern Ireland) Order 1989 at any time before the commencement date and at that time it is such an institution as is mentioned in sub-paragraph (a)(i) or (ii) above.

(2) The provisions of Part IV of these Regulations shall not apply in any case where a building society becomes insolvent (within the meaning of Part IV of the 1986 Act) at any time before the commencement date.

(3) Where, as regards a UK institution or non-EEA institution, the Bank is satisfied before the commencement date that, for reasons which directly relate to the institution’s financial circumstances, the institution—

(a) is unable to repay protected deposits which are due and payable; and

(b) has no current prospect of being able to do so,

the 21 days mentioned in subsection (4)(a) of section 59 of the 1987 Act shall begin to run on that date.

(4) Where, as regards a building society, the Commission is satisfied before the commencement date that, for reasons which directly relate to the society’s financial circumstances, the society—

(a) is unable to repay investments which are due and payable; and

(b) has no current prospect of being able to do so,

the 21 days mentioned in subsection (4)(a) of section 25A of the 1986 Act shall begin to run on that date.

(5) In this regulation “authorised institution” and “former authorised institution” have the same meanings as in the 1987 Act.

(4) Subsection (2A) was inserted by regulation 81 of the Banking Coordination (Second Council Directive) Regulations 1992 (S.I. 1992/3218).

(5) S.I. 1988/645; amended by S.I. 1992/3218.

(6) S.I. 1989/2405 (N.I. 19).

Transitory provisions

54.—(1) This regulation applies to any institution which—

- (a) is authorised to act as a credit institution by a supervisory authority in Spain or Greece;
- (b) is listed in Annex III to Directive 94/19/EC on deposit-guarantee schemes; and
- (c) accepts or proposes to accept deposits in the United Kingdom.

(2) In relation to any time before 1st January 2000, these Regulations, Part II of the 1987 Act and Part IV of the 1986 Act shall each have effect in relation to an institution to which this regulation applies as if—

- (a) the institution were an authorised institution (within the meaning of the 1987 Act); and
- (b) Spain or, as the case may require, Greece were not an EEA State.