

SCHEDULE 2

Capital Requirements

PART 2

Own funds

Limits on qualifying items

9. —

(1) The limits referred to in paragraph 4 are—

- (a) that A must not exceed B; and
- (b) that C must not exceed 50% of B.

(2) After applying such limits—

- (a) 50% of the total of the items specified in paragraph 7(d) to (h) must be deducted from A and the remaining 50% must be deducted from B; and
- (b) the amount, if any, by which the amount to be deducted from A exceeds A must be deducted from B.

(3) In this paragraph—

- (a) “A” means the total of the items specified in paragraph 4(d) to (j);
- (b) “B” means the total of the items specified in paragraph 4(a) to (c) less the total of the items specified in paragraph 7(a) to (c); and
- (c) “C” means the total of the items specified in paragraph 4(h) to (j).

10. The Authority may in temporary and exceptional circumstances direct that an electronic money institution may exceed one or more of the limits described in paragraph 9(1).

11. An electronic money institution must not include in its own funds calculation—

- (a) any item used in an equivalent calculation of own funds by an electronic money institution, authorised payment institution, credit institution, investment firm, asset management company or insurance undertaking in the same group; or
- (b) in the case of an electronic money institution which carries on activities other than electronic money issuance or the provision of payment services, any item included in an own funds calculation required by or under any other enactment.

12. An authorised electronic money institution that carries on activities other than the issuance of electronic money and the provision of payment services related to the issuance of electronic money must not use—

- (a) in its calculation of own funds in accordance with Method A, B or C, any qualifying item included in its calculation of own funds in accordance with Method D;
- (b) in its calculation of own funds in accordance with Method D, any qualifying item included in its calculation of own funds in accordance with Method A, B or C.