



Banking Act 1979

1979 CHAPTER 37

PART II

THE DEPOSIT PROTECTION SCHEME

Repayments in respect of contributions

32 Repayments in respect of contributions

- (1) Any moneys received by the Board under section 31 above shall not form part of the Fund but, for the remainder of the financial year of the Board in which they are received, shall be retained and, so far as appears to the Board appropriate, shall be invested in Treasury bills payable not more than ninety-one days from the date of issue; and any income arising from moneys so invested during the remainder of the year shall be credited to the Fund.
- (2) The Board shall prepare a scheme for the making of repayments to institutions out of moneys falling within subsection (1) above in respect of—
 - (a) special contributions, and
 - (b) so far as they are not attributable to an increase in the size of the Fund resulting from an order under subsection (2) of section 25 above, further contributions levied under that section,which have been made in the financial year of the Board in which the moneys were received or in any previous such financial year.
- (3) A scheme under subsection (2) above—
 - (a) shall provide for the making of repayments first in respect of special contributions and then, if those contributions can be repaid in full (taking into account any previous repayments under this section and under section 26(2) above), in respect of further contributions ;
 - (b) may make provision for repayments in respect of contributions made by an institution which has ceased to be a contributory institution to be made to a

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- contributory institution which, in the opinion of the Board, is its successor ;
and
- (c) subject to paragraph (b) above, may exclude from the scheme further contributions levied from institutions which have ceased to be contributory institutions.
- (4) As soon as practicable after the end of the financial year of the Board in which any moneys are received by them as mentioned in subsection (1) above, the Board shall make out of those moneys the payments required by the scheme under subsection (2) above.
- (5) If in any financial year of the Board the payments made under subsection (4) above (in that and any previous years) in pursuance of a scheme or schemes under subsection (2) above are sufficient to provide for repayment in full of all the contributions to which the scheme or, as the case may be, the schemes related, any balance remaining of the moneys received by the Board as mentioned in subsection (1) above shall be credited to the Fund.

33 Tax treatment of contributions and repayments

In computing for the purposes of the Tax Acts the profits or gains arising from the trade carried on by a contributory institution.—

- (a) to the extent that it would not be deductible apart from this subsection, any sum expended by the institution in paying a contribution to the Fund may be deducted as an expense; and
- (b) any payment which is made to the institution by the Board under section 26(2) above or pursuant to a scheme under section 32(2) above shall be treated as a trading receipt.