



Banking Act 1979

1979 CHAPTER 37

PART II

THE DEPOSIT PROTECTION SCHEME

Contributions to the Fund

23 Contributory institutions and general provisions as to contributions

- (1) All recognised banks and licensed institutions which are not excluded by an order under subsection (2) below shall be liable to contribute to the Fund and are in this Act referred to as "contributory institutions".
- (2) The Treasury may by order exclude from subsection (1) above—
 - (a) a body corporate formed under the law of a country or territory outside the United Kingdom, or
 - (b) any other description of institution of which the principal place of business is in a country or territory outside the United Kingdom,if they are satisfied, after consultation with the Board, that, under the law of that country or territory or by virtue of arrangements which are in force there, sterling deposits with the United Kingdom offices of that institution are as well protected as they would be under this Part of this Act.
- (3) The power to make an order under subsection (2) above shall be exercisable by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.
- (4) Contributions to the Fund shall be levied on a contributory institution by the Board by service on the institution of a notice specifying the amount due, which shall be paid by the institution not later than twenty-one days after the date on which the notice is served.

Status: This is the original version (as it was originally enacted). This item of legislation is currently only available in its original format.

- (5) Subject to section 27 below, on each occasion on which contributions are to be levied from contributory institutions (other than the occasion of the levy of an initial contribution from a particular institution under subsection (2) of section 24 below),—
- (a) a contribution shall be levied from each of the contributory institutions; and
 - (b) the amount of the contribution of each institution shall be ascertained by applying to the institution's deposit base the percentage determined by the Board for the purpose of the contributions levied on that occasion.
- (6) In relation to any contribution, the deposit base of an institution is the amount which the Board determine as representing the average, over such period preceding the levying of the contribution as appears to the Board to be appropriate, of sterling deposits with the United Kingdom offices of that institution, other than—
- (a) secured deposits;
 - (b) deposits which had an original term to maturity of more than five years ; and
 - (c) deposits in respect of which the institution has in the United Kingdom issued a sterling certificate of deposit.
- (7) In its application to this section, subsection (5) of section 1 of this Act shall have effect with the omission of paragraphs (b) and (c).