



Banking Act 1979

1979 CHAPTER 37

PART I

CONTROL OF DEPOSIT-TAKING

Revocation of recognition or licence

6 Grounds for revocation of recognition or licence

- (1) The powers of the Bank under section 7 below to revoke recognition or a licence shall become exercisable with respect to an institution if it appears to the Bank that—
- (a) any of the information required to be furnished by the institution in connection with its application was false or misleading in a material particular; or
 - (b) the institution has not carried on any deposit-taking business within the period of twelve months beginning on the date on which it was granted recognition or, as the case may be, on which the licence took effect, or has ceased to carry on any such business for a period of more than six months; or
 - (c) any of the criteria in Part I or Part II of Schedule 2 to this Act which is applicable to the institution is not being or has not been fulfilled with respect to it; or
 - (d) in the case of an institution whose principal place of business is in a country or territory outside the United Kingdom, the authorities which exercise in that country or territory functions corresponding to those of the Bank under this Act have withdrawn from the institution the authority which in that country or territory corresponds to the authority conferred in the United Kingdom by recognition or a licence; or
 - (e) the institution is a body corporate and any of the events referred to in subsection (2) below has occurred with respect to it; or
 - (f) the institution is a partnership and any of the events referred to in subsection (3) below has occurred with respect to it; or
 - (g) the institution is an unincorporated institution other than a partnership and is formed under the law of another member State and an event has occurred with

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respect to it which, in that member State, appears to the Bank to correspond, as near as may be, with any of the events specified in paragraphs (a) to (d) of subsection (2) or paragraphs (a) to (f) of subsection (3) below; or

- (h) the institution has failed to comply with any obligation imposed by this Act; or
- (i) the institution has in any other way so conducted its affairs as to threaten the interests of its depositors.

(2) The events referred to in subsection (1)(e) above are—

- (a) the making of a winding-up order;
- (b) the passing of a resolution for voluntary winding up;
- (c) the appointment of a receiver or manager of the body's undertaking; and
- (d) the taking of possession, by or on behalf of the holders of any debenture secured by a floating charge, of any property of the body comprised in or subject to the charge;

and also, in the case of a body corporate formed under the law of a country or territory outside the United Kingdom, any event which appears to the Bank to correspond under that law with any of the events specified above.

(3) The events referred to in subsection (1)(f) above are—

- (a) the dissolution of the partnership ;
- (b) the making of a winding-up order against the firm under Part IX of the Companies Act 1948 or the Companies Act (Northern Ireland) 1960 (unregistered companies);
- (c) if one of the partners is a body corporate, the occurrence with respect to that partner of one of the events specified in subsection (2) above;
- (d) in England and Wales, the making of a receiving order against the firm or against one of the partners or one of the partners executing an instrument to which the Deeds of Arrangement Act 1914 applies ;
- (e) in Scotland, the making of an award of sequestration on the estate of the partnership or one of the partners, or the partnership or one of the partners executing a trust deed for creditors or entering into a composition contract; and
- (f) in Northern Ireland, the making of an order of adjudication of bankruptcy against one of the partners or one of the partners making a composition or arrangement with his creditors; and also, in the case of a partnership whose principal place of business is in a country or territory outside the United Kingdom, any event which appears to the Bank to correspond in that country or territory with any of the events specified above.

(4) It shall be a ground for revoking a full licence held by an institution that the Bank proposes to grant recognition to the institution with effect from the time of the revocation of the licence.

(5) It shall be a ground for revoking a conditional licence held by an institution that the Bank proposes to grant a full licence to the institution with effect from the time of the revocation of the conditional licence.