



# Banking Act 1987

## 1987 CHAPTER 22

### PART II

#### THE DEPOSIT PROTECTION SCHEME

##### *Repayments in respect of contributions*

#### **63 Repayments in respect of contributions**

- (1) Any money received by the Board under section 62 above ("recovered money") shall not form part of the Fund but, for the remainder of the financial year of the Board in which it is received, shall be placed by the Board in an account with the Bank which shall as far as possible invest the money in Treasury bills; and any income arising from the money so invested during the remainder of the year shall be credited to the Fund.
- (2) The Board shall prepare a scheme for the making out of recovered money of repayments to institutions 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 54 above, further contributions levied under that section,which have been made in the financial year of the Board in which the money was 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 55(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 contributory institution which, in the opinion of the Board, is its successor; and

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*Status: This is the original version (as it was originally enacted).*

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- (c) subject to paragraph (b) above, may exclude from the scheme further contributions levied from institutions which have ceased to be contributory institutions.
- (4) Except where special or further contributions can be repaid in full, repayments to institutions under this section shall be made pro rata according to the amount of the special or further contribution made by each of them.
- (5) If at the end of a financial year of the Board in which recovered money is received by it—
  - (a) that money; and
  - (b) the amount standing to the credit of the Fund, after any repayments made under section 55 above,exceeds the maximum amount for the time being specified in section 54 (1) above the Board shall as soon as practicable make out of the recovered money, up to an amount not greater than the excess, the repayments required by the scheme under subsection (2) above and may out of the recovered money make such further repayments required by the scheme as will not reduce the amounts mentioned in paragraphs (a) and (b) above below the minimum amount for the time being specified in section 54(1) above.
- (6) If in any financial year of the Board—
  - (a) any of the recovered money is not applied in making payments in accordance with subsection (5) above; or
  - (b) the payments made in accordance with that subsection are sufficient to provide for the repayment in full of all the contributions to which the scheme relates,any balance of that money shall be credited to the Fund.