



Banking Act 1987

1987 CHAPTER 22

PART III

BANKING NAMES AND DESCRIPTIONS

67 Restriction on use of banking names

- (1) Subject to section 68 below, no person carrying on any business in the United Kingdom shall use any name which indicates or may reasonably be understood to indicate (whether in English or any other language) that he is a bank or banker or is carrying on a banking business unless he is an authorised institution to which this section applies.
- (2) This section applies to an authorised institution which—
 - (a) is a company incorporated in the United Kingdom which has—
 - (i) an issued share capital in respect of which the amount paid up is not less than £5 million (or an amount of equivalent value denominated wholly or partly otherwise than in sterling); or
 - (ii) undistributable reserves falling within paragraph (a), (b) or (d) of section 264 (3) of the Companies Act 1985 or Article 272(3)(a), (b) or (d) of the Companies (Northern Ireland) Order 1986 of not less than that sum (or such an equivalent amount); or
 - (iii) such undistributable reserves of an amount which together with the amount paid up in respect of its issued share capital equals not less than that sum (or such an equivalent amount); or
 - (b) is a partnership formed under the law of any part of the United Kingdom in respect of which one or more designated fixed capital accounts are maintained to which there has been credited not less than £5 million (or such an equivalent amount).
- (3) For the purposes of subsection (2)(a) above "share capital" does not include share capital which under the terms on which it is issued is to be, or may at the option of the shareholder be, redeemed by the company.

Status: This is the original version (as it was originally enacted).

- (4) For the purposes of subsection (2)(b) above "designated fixed capital account", in relation to a partnership, means an account—
- (a) which is prepared and designated as such under the terms of the partnership agreement;
 - (b) which shows capital contributed by the partners; and
 - (c) from which under the terms of that agreement an amount representing capital may only be withdrawn by a partner if—
 - (i) he ceases to be a partner and an equal amount is transferred to a designated fixed capital account by his former partners or any person replacing him as their partner; or
 - (ii) the partnership is otherwise dissolved or wound up.
- (5) An authorised institution to which subsection (2) above applies whose issued share capital, undistributable reserves or designated fixed capital account is denominated wholly or partly otherwise than in sterling shall not be regarded as ceasing to be such an institution by reason only of a fluctuation in the rate of exchange of sterling unless and until it has ceased to satisfy any of the conditions in that subsection for a continuous period of three months.
- (6) The Treasury may from time to time after consultation with the Bank by order amend subsection (2)(a) and (b) above so as to substitute for the sum for the time being specified in that subsection such other sum as may be specified in the order; but an order under this subsection shall be subject to annulment in pursuance of a resolution of either House of Parliament.