

SCHEDULES

SCHEDULE 2

ALTERNATIVE FINANCE ARRANGEMENTS

PART 1

NEW PART 10A OF ITA 2007

3 After section 564A insert—

“564B Meaning of “financial institution”

- (1) In this Part “financial institution” means—
- (a) a bank, as defined by section 991,
 - (b) a building society,
 - (c) a wholly-owned subsidiary—
 - (i) of a bank within paragraph (a), or
 - (ii) of a building society,
 - (d) a person authorised by a licence under Part 3 of the Consumer Credit Act 1974 to carry on a consumer credit business or consumer hire business within the meaning of that Act,
 - (e) a bond-issuer, within the meaning of section 564G, but only in relation to any bond assets which are rights under purchase and resale arrangements, diminishing shared ownership arrangements or profit share agency arrangements,
 - (f) a person authorised in a jurisdiction outside the United Kingdom—
 - (i) to receive deposits or other repayable funds from the public, and
 - (ii) to grant credits for its own account,
 - (g) an insurance company as defined in section 431(2) of ICTA, or
 - (h) a person who is authorised in a jurisdiction outside the United Kingdom to carry on a business which consists of effecting or carrying out contracts of insurance or substantially similar business but not an insurance special purpose vehicle as defined in section 431(2) of ICTA.
- (2) For the purposes of subsection (1)(c) a company is a wholly-owned subsidiary of a bank or building society (“the parent”) if it has no members except—
- (a) the parent or persons acting on behalf of the parent, and
 - (b) the parent’s wholly-owned subsidiaries or persons acting on behalf of the parent’s wholly-owned subsidiaries.”