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STATUTORY INSTRUMENTS

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**1991 No. 1776**

**BANKS AND BANKING**

**The Banking Act 1987 (Meaning of Deposit) Order 1991**

<i>Made</i>	- - - -	<i>30th July 1991</i>
<i>Laid before Parliament</i>		<i>30th July 1991</i>
<i>Coming into force</i>	- -	<i>31st July 1991</i>

The Treasury, in exercise of the powers conferred upon them by section 7 of the Banking Act 1987<sup>(1)</sup> and of all other powers enabling them in that behalf, and after consultation with the Bank of England, hereby order as follows:

**Citation and commencement**

1. This Order may be cited as the Banking Act 1987 (Meaning of Deposit) Order 1991 and shall come into force on 31st July 1991.

**Amendment of meaning of “deposit”**

2.—(1) For the purposes of sections 60, 61 and 62 of the Banking Act 1987 the definition of deposit in section 5 of that Act shall be treated as excluding any sum to which a person becomes entitled (otherwise than by operation of law), or comes to be treated as entitled for the purposes of sections 58 and 60 of that Act, after a petition is presented for the winding up of the institution, or, in the case of an institution in respect of which such a petition has been presented before the date on which this Order comes into force, 30th July 1991.

(2) Paragraph (1) above does not apply in respect of a payment falling to be made under section 58(2) of the Banking Act 1987.

**Interpretation**

3. For the purposes of this Order, references to the presentation of a petition for the winding up of an institution shall be taken to mean—

- (a) where the institution becomes insolvent within the meaning of section 59 of the Banking Act 1987 on the making of an order or award, the presentation of a petition that the order or award be made;

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- (b) where the institution becomes so insolvent on the passing of a resolution for a voluntary winding-up in the circumstances described in section 59(1)(b) of that Act, the summoning of a meeting at which such a resolution is to be proposed;
- (c) where the institution becomes so insolvent on the holding of a creditors' meeting, the summoning of such meeting;
- (d) where the institution becomes so insolvent on the occurrence of an event which appears to the Deposit Protection Board to correspond as nearly as may be to any of those mentioned in section 59(1)(a), (b) or (c) or 59(2)(a), (b) or (c) of that Act, the event which appears to the Board to correspond as nearly as may be to that mentioned in paragraph (a), (b) or (c) of this article (as the case may be).

*Norman Lamont*

*John Major*

Two of the Lords Commissioners of Her  
Majesty's Treasury

30th July 1991

## **EXPLANATORY NOTE**

*(This note is not part of the Regulations)*

This Order provides that for the purposes of sections 60, 61 and 62 of the Banking Act 1987 (which relate to the Deposit Protection Scheme) the definition of deposit in section 5 of that Act shall be treated as excluding any sum to which a person becomes entitled after a winding-up petition is presented (or an equivalent event occurs), or 30th July 1991, whichever is later.