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STATUTORY INSTRUMENTS

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**1992 No. 3218**

**The Banking Coordination (Second  
Council Directive) Regulations 1992**

**PART II**

**RECOGNITION OF EUROPEAN INSTITUTIONS**

*Effect of recognition*

**Authorisations and licences not required**

- 5.—(1) Subject to paragraph (2) below, nothing in the following enactments, namely—
- (a) section 3 of the Banking Act (restriction on acceptance of deposits);
  - (b) sections 3 and 4 of the Financial Services Act (restrictions on carrying on investment business);
  - (c) sections 21, 39(1) and 147(1) of the Consumer Credit Act (Consumer Credit Act businesses needing a licence); and
  - (d) section 2 of the Insurance Companies Act<sup>(1)</sup> (restriction on carrying on insurance business),

shall prevent a European institution from carrying on in the United Kingdom any listed activity which it is authorised or permitted to carry on in its home State.

(2) In relation to a European institution in respect of which a prohibition under these Regulations is in force—

- (a) paragraph (1)(a) above shall not apply if the prohibition is under regulation 9 below;
- (b) paragraph (1)(b) above shall not apply if the prohibition is under regulation 15 below; and
- (c) paragraph (1)(c) above shall not apply if the prohibition is under regulation 18 below.

**Procedural requirements for carrying on listed activities**

6.—(1) A European institution shall not—

- (a) carry on in the United Kingdom by the provision of services any home-regulated activity;  
or
- (b) establish a branch in the United Kingdom for the purpose of carrying on such an activity,

unless the requirements of paragraph 1 of Schedule 2 to these Regulations have been (and, in the case of a European subsidiary, continue to be) complied with in relation to its carrying on of the activity or, as the case may be, its establishment of the branch.

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(1) 1982 c. 50; section 2 has been amended by S.I.1987/2130.

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**Status:** This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

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(2) A European institution shall not change the requisite details of a branch established by it in the United Kingdom unless the requirements of paragraph 4 of Schedule 2 to these Regulations have been complied with in relation to its making of the change.

(3) An institution which contravenes paragraph (1) or (2) above shall be guilty of an offence and liable on summary conviction to a fine not exceeding level 5 on the standard scale; but such a contravention shall not invalidate any transaction.

(4) In proceedings brought against an institution for an offence under paragraph (3) above it shall be a defence for the institution to show that it took all reasonable precautions and exercised all due diligence to avoid the commission of the offence.