
STATUTORY INSTRUMENTS

1995 No. 1442

**The Credit Institutions (Protection
of Depositors) Regulations 1995**

Part II

Participation in host State schemes

Chapter III

Non-participation in deposit protection scheme by non-EEA institution

Main provisions

Eligibility not to participate in scheme

19.—(1) A non-EEA institution shall be eligible not to participate in the deposit protection scheme (“the scheme”) if the Deposit Protection Board (“the Board”) determines under this regulation, on an application made by the institution, that it is so eligible.

(2) The Board shall not make such a determination under this regulation unless after consultation with such of the relevant authorities (if any) as it considers appropriate, it is satisfied that—

- (a) the scope of the protection afforded by the institution’s home State scheme to depositors with United Kingdom offices; and
- (b) the level of the protection so afforded,

are each not less than that afforded to such depositors by the scheme.

(3) Written notice of the Board’s decision under paragraph (2) above, stating the reasons for it, shall be given to the institution—

- (a) within 90 days after the day on which the institution’s application is received by the Board; or
- (b) within that period and such additional period, not exceeding 30 days, as the Bank may in exceptional circumstances allow.

(4) In this regulation and regulation 21 below “the relevant authorities” means—

- (a) the Bank and the supervisory authority in the institution’s home State; and
- (b) the authority responsible for the institution’s home State scheme.

Election not to participate in scheme

20. A non-EEA institution which is eligible not to participate in the deposit protection scheme by virtue of a determination under regulation 19 above shall cease to be so eligible unless, within two months after the date of the determination, it elects not to participate in that scheme by giving notice of its election to the Deposit Protection Board.

Election to cease to have effect where institution no longer eligible

21.—(1) An election by a non-EEA institution not to participate in the deposit protection scheme (“the scheme”) shall cease to have effect if the deposit Protection Board (“the Board”) determines under this regulation that it is no longer eligible not to participate in the scheme.

(2) The Board shall not make a determination under this regulation unless, after consultation with such of the relevant authorities (if any) as it considers appropriate, it is satisfied that—

- (a) the scope of the protection afforded to depositors by the institution’s home State scheme; or
- (b) the level of the protection so afforded,

is less than that afforded to depositors by the scheme.

(3) Written notice of a decision of the Board under paragraph (2) above, stating the reasons for it, shall be given to the institution.

(4) An election shall not cease to have effect by virtue of this regulation—

- (a) until the time for appealing under regulation 22 below against the Board’s decision under paragraph (2) above has expired; or
- (b) if an appeal is made under that regulation, unless and until that decision is confirmed by the Chancellor of the Exchequer.

(5) Where an election ceases to have effect by virtue of this regulation, the amount of the initial contribution levied on the institution under section 53 of the 1987 Act shall be reduced by the aggregate of—

- (a) the amount of any previous initial contribution levied on the institution under that section; and
- (b) so much of any further contribution levied on the institution under section 54 of that Act as was attributable to an order under subsection (2) of that section.

Appeals against decisions of Board

22.—(1) A non-EEA institution which is aggrieved by a decision under regulation 19(2) or 21(2) above may, within 28 days after the day on which it received notice of the decision, appeal against the decision to the Chancellor of the Exchequer.

(2) An appeal under this regulation shall be made by sending to the Chancellor of the Exchequer (with copies to the Deposit Protection Board)—

- (a) a notice of appeal, including a statement of the grounds of appeal;
- (b) written representations in support of those grounds; and
- (c) any documents that may be relevant for the purposes of the appeal;

and the procedure for determining such an appeal shall be as the Chancellor of the Exchequer may direct.

(3) On such an appeal the Chancellor of the Exchequer may confirm or vary the decision which is the subject of the appeal.

(4) Written notice of the Chancellor of the Exchequer’s decision, stating the reasons for it, shall be given to the appellant and to the Deposit Protection Board; and, unless the Chancellor of the Exchequer otherwise directs, the decision shall take effect when the notice is so given.

Supplementary provisions

Duty of institution to notify election not to participate

23. Where a non-EEA institution elects not to participate in the deposit protection scheme, it shall as soon as practicable take all such steps as may be necessary to bring the election to the notice of depositors whose deposits were made with United Kingdom offices of the institution.

Duty of Board to maintain list of participating non-EEA institutions

24. The Deposit Protection Board shall compile and maintain a list of the non-EEA institutions which are participating in the deposit protection scheme.