
STATUTORY INSTRUMENTS

1996 No. 1669

**The Financial Institutions (Prudential
Supervision) Regulations 1996**

PART II

BANKING INSTITUTIONS

Refusal and revocation of authorisation by Bank

3.—(1) After subsection (3) of section 9 of the Banking Act (grant and refusal of authorisation) there shall be inserted the following subsection—

“(3A) The Bank shall refuse an application made by a credit institution if it appears to the Bank that—

- (a) the institution is an undertaking which is closely linked with any person; and
- (b) the institution’s close links with that person, or any matters relating to any non-EEA laws or administrative provisions to which that person is subject, are such as would prevent the effective exercise by the Bank of its supervisory functions in relation to the institution;

and in this subsection and subsection (1B) of section 11 below ‘non-EEA laws’ means laws of a country or territory which is not a contracting party to the agreement on the European Economic Area signed at Oporto on 2nd May 1992 as adjusted by the Protocol signed at Brussels on 17th March 1993, and ‘non-EEA administrative provisions’ shall be construed accordingly.”

(2) After subsection (1A) of section 11 of that Act (revocation of authorisation) there shall be inserted the following subsection—

“(1B) The Bank may revoke the authorisation of a credit institution if it appears to the Bank that—

- (a) the institution is an undertaking which is closely linked with any person; and
- (b) the institution’s close links with that person, or any matters relating to any non-EEA laws or administrative provisions to which that person is subject, are such as to prevent the effective exercise by the Bank of its supervisory functions in relation to the institution.”