

SCHEDULE 2

Capital Requirements

PART 2

Own funds

Deductions from own funds

7. The deductions from own funds are—
- (a) own shares at book value held by the electronic money institution;
 - (b) intangible assets;
 - (c) material losses of the current financial year;
 - (d) holdings of shares in credit institutions and financial institutions exceeding 10% of their capital;
 - (e) if sub-paragraph (d) applies, the items specified in paragraph 4(f), (g) and (j) held in the relevant credit institution or financial institution;
 - (f) holdings of shares or of the items specified in paragraph 4(f), (g) and (j) held in other credit institutions or financial institutions where—
 - (i) the holding has not been deducted in accordance with sub-paragraph (d) or (e) of this paragraph; and
 - (ii) the total amount of such holdings exceeds 10% of the electronic money institution's own funds calculated before deduction of the items specified in this sub-paragraph and sub-paragraphs (d), (e), (g) and (h);
 - (g) participations which the electronic money institution holds in an insurance undertaking, reinsurance undertaking or insurance holding company; and
 - (h) the following instruments held in an insurance undertaking, reinsurance undertaking or insurance holding company in which the electronic money institution holds a participation—
 - (i) instruments referred to in article 16(3) of Directive [73/239/EEC](#) of the Council on the coordination of laws, regulations and administrative provisions relating to the taking-up and pursuit of the business of direct insurance other than life assurance⁽¹⁾;
 - (ii) instruments referred to in article 27(3) of Directive [2002/83/EC](#) of the European Parliament and of the Council of 5th November 2002 concerning life assurance⁽²⁾.
8. Where shares in another credit institution, financial institution, insurance undertaking, reinsurance undertaking or insurance holding company are held temporarily for the purposes of a financial assistance operation designed to reorganise and save that entity, the Authority may direct that any or all of the items specified in paragraph 7(d) to (h) are not to be deducted from own funds.

(1) OJ No L 005, 7.1.78, p.27.

(2) OJ No L 345, 19.12.02, p.1.