



Financial Services (Banking Reform) Act 2013

2013 CHAPTER 33

PART 2

DEPOSITOR PREFERENCE AND THE FINANCIAL SERVICES COMPENSATION SCHEME

VALID FROM 31/12/2014

Depositor preference

13 Preferential debts: Great Britain

- (1) In Schedule 6 to the Insolvency Act 1986 (categories of preferential debts) after paragraph 15A insert—

“Category 7: Deposits covered by Financial Services Compensation Scheme

- 15B So much of any amount owed at the relevant date by the debtor in respect of an eligible deposit as does not exceed the compensation that would be payable in respect of the deposit under the Financial Services Compensation Scheme to the person or persons to whom the amount is owed.

Interpretation for Category 7

- 15C (1) In paragraph 15B “eligible deposit” means a deposit in respect of which the person, or any of the persons, to whom it is owed would be eligible for compensation under the Financial Services Compensation Scheme.
- (2) For this purpose a “deposit” means rights of the kind described in—

Status: Point in time view as at 01/04/2014. This version of this part contains provisions that are not valid for this point in time.

*Changes to legislation: There are currently no known outstanding effects for the
 Financial Services (Banking Reform) Act 2013, PART 2. (See end of Document for details)*

- (a) paragraph 22 of Schedule 2 to the Financial Services and Markets Act 2000 (deposits), or
 - (b) section 1(2)(b) of the Dormant Bank and Building Society Accounts Act 2008 (balances transferred under that Act to authorised reclaim fund).”
- (2) In section 386 of the Insolvency Act 1986 (categories of preferential debt), in subsection (1), after “production” insert “ ; deposits covered by Financial Services Compensation Scheme ”.
- (3) In Part 1 of Schedule 3 to the Bankruptcy (Scotland) Act 1985 (list of preferred debts), after paragraph 6A insert—

“Deposits covered by Financial Services Compensation Scheme

6B So much of any amount owed at the relevant date by the debtor in respect of an eligible deposit as does not exceed the compensation that would be payable in respect of the deposit under the Financial Services Compensation Scheme to the person or persons to whom the amount is owed.”

- (4) In Part 2 of Schedule 3 to the Bankruptcy (Scotland) Act 1985 (interpretation of Part 1), after paragraph 9 insert—

“Meaning of eligible deposit

- 9A (1) In paragraph 6B “eligible deposit” means a deposit in respect of which the person, or any of the persons, to whom it is owed would be eligible for compensation under the Financial Services Compensation Scheme.
- (2) For this purpose a “deposit” means rights of the kind described in paragraph 22 of Schedule 2 to the Financial Services and Markets Act 2000 (deposits).”

Financial Services Compensation Scheme

14 Discharge of functions by the scheme manager

After section 224 of FSMA 2000 insert—

“224ZA Discharge of functions

- (1) In discharging its functions the scheme manager must have regard to—
- (a) the need to ensure efficiency and effectiveness in the discharge of those functions, and
 - (b) the need to minimise public expenditure attributable to loans made or other financial assistance given to the scheme manager for the purposes of the scheme.
- (2) In subsection (1)(b) “financial assistance” includes the giving of guarantees and indemnities and any other kind of financial assistance (actual or contingent).”

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Commencement Information

I1 S. 14 in force at 1.3.2014 by S.I. 2014/377, art. 2(1)(a), Sch. Pt. 1

15 Power to require information from scheme manager

After section 218A of FSMA 2000 insert—

“218B Treasury's power to require information from scheme manager

- (1) The Treasury may by notice in writing require the scheme manager to provide specified information or information of a specified description that the Treasury reasonably require in connection with the duties of the Treasury under the Government Resources and Accounts Act 2000.
- (2) Information required under this section must be provided before the end of such reasonable period as may be specified.
- (3) “Specified” means specified in the notice.”

Commencement Information

I2 S. 15 in force at 1.3.2014 by S.I. 2014/377, art. 2(1)(a), Sch. Pt. 1

16 Scheme manager: appointment of accounting officer

- (1) Section 212 of FSMA 2000 (the scheme manager of the Financial Services Compensation Scheme) is amended as follows.
- (2) In subsection (3)—
 - (a) omit the “and” following paragraph (a),
 - (b) after that paragraph insert—
 - “(aa) a chief executive (who is to be the accounting officer); and”,
 - and
 - (c) in paragraph (b), after “chairman” insert “ and chief executive ”.
- (3) In subsection (4)—
 - (a) after “chairman”, in the first place, insert “ , chief executive ”, and
 - (b) after “chairman”, in the second place, insert “ and the chief executive ”.

Commencement Information

I3 S. 16 in force at 1.4.2014 by S.I. 2014/377, art. 2(2)(a)

Status:

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Changes to legislation:

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