
STATUTORY INSTRUMENTS

1992 No. 3218

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

PART II

RECOGNITION OF EUROPEAN INSTITUTIONS

Functions of Director

Power to prohibit the carrying on of Consumer Credit Act business

18.—(1) If it appears to the Director that paragraph (2) below has been or is likely to be contravened as respects a European institution, he may impose on the institution a prohibition under this regulation, that is to say, a prohibition on carrying on, or purporting to carry on, in the United Kingdom any Consumer Credit Act business which consists of or includes carrying on one or more home-regulated activities.

(2) This paragraph is contravened as respects a European institution if—

- (a) the institution or any of the institution's employees, agents or associates (whether past or present); or
- (b) where the institution is a body corporate, any controller of the institution or an associate of any such controller,

does any of the things specified in paragraphs (a) to (d) of section 25(2) of the Consumer Credit Act⁽¹⁾.

(3) A prohibition under this regulation may be absolute or may be imposed for a specified period or until the occurrence of a specified event or until specified conditions are complied with; and any period, event or conditions specified in the case of a prohibition may be varied by the Director on the application of the institution concerned.

(4) Any prohibition imposed under this regulation may be withdrawn by written notice served by the Director on the institution concerned; and any such notice shall take effect on such date as is specified in the notice.

(5) In this regulation “associate” has the same meaning as in section 25(2) of the Consumer Credit Act and “controller” has the meaning given by section 189(1) of that Act.

(6) Schedule 5 to these Regulations (which makes supplemental provision with respect to prohibitions imposed under this regulation and restrictions imposed under regulation 19 below) shall have effect.

(1) 1974 c. 39.

Power to restrict the carrying on of Consumer Credit Act business

19.—(1) In this regulation “restriction” means a direction that a European institution may not carry on in the United Kingdom, otherwise than in accordance with such condition or conditions as may be specified in the direction, any Consumer Credit Act business which—

- (a) consists of or includes carrying on one or more home-regulated activities; and
- (b) is specified in the direction.

(2) Where it appears to the Director that the situation as respects a European institution is such that the powers conferred by paragraph (1) of regulation 18 above are exercisable, the Director may, instead of imposing a prohibition, impose such restriction as appears to him desirable.

(3) Any restriction imposed under this regulation—

- (a) may be withdrawn; or
- (b) may be varied with the agreement of the institution concerned,

by written notice served by the Director on the institution; and any such notice shall take effect on such date as is specified in the notice.

(4) An institution which contravenes or fails to comply with a restriction shall be guilty of an offence and liable—

- (a) on conviction on indictment, to a fine;
- (b) on summary conviction, to a fine not exceeding the statutory maximum.

(5) The fact that a restriction has not been complied with (whether or not constituting an offence under paragraph (4) above) shall be a ground for the imposition of a prohibition under regulation 18 above.