

SCHEDULE 11

TRANSITIONAL PROVISIONS AND SAVINGS

PART II

AMENDMENTS OF BANKING ACT

Requirement as to minimum initial capital

4.—(1) This paragraph applies to a credit institution incorporated in or formed under the law of any part of the United Kingdom which immediately before the commencement date is authorised by the Bank under the Banking Act.

(2) Paragraph 4(3A) of Schedule 3 to the Banking Act (c) (institution to have own funds amounting to ecu 5 million or equivalent) shall have effect in relation to an institution to which this paragraph applies as if the reference to ecu 5 million were a reference to the relevant amount.

(3) Subject to sub-paragraphs (4) to (7) below, the relevant amount is the amount of own funds which the institution has on the commencement date.

(4) If, at any time after 22nd December 1989, the institution had or has own funds of a greater amount than the amount of its own funds on the commencement date, the relevant amount is that greater amount, or ecu 5 million, whichever is the less.

(5) Subject to sub-paragraph (6) below if, at any time after the commencement date, there is any change in the person who is the parent controller of the institution (not being a parent controller which is a subsidiary undertaking of another parent controller of the institution) the relevant amount is ecu 5 million.

(6) If—

- (a) the institution merges with another institution which is also an institution to which this paragraph applies; and
- (b) the Bank is satisfied that in the circumstances the merged institution need not have own funds amounting to not less than ecu 5 million,

then, subject to sub-paragraph (7) below, the relevant amount in relation to the merged institution is the aggregate own funds of the merging institutions on the date of the change, or ecu 5 million, whichever is the less.

(7) If, at any time after the commencement date, the merged institution has own funds of ecu 5 million or more, the relevant amount is ecu 5 million.

(8) Any reference in this paragraph to ecu 5 million includes a reference to an amount of equal value denominated wholly or partly in a different unit of account.