

SCHEDULE 2

Regulation 3(8).

REQUIREMENTS AS RESPECTS EUROPEAN INSTITUTIONS

Requirements for carrying on activities etc.

1.—(1) In relation to the carrying on of a home-regulated activity by the provision of services, the requirements of this paragraph are that the institution has given to the relevant supervisory authority in its home State a notice in accordance with paragraph 2 below.

(2) In relation to the establishment of a branch, the requirements of this paragraph are—

- (a) that the institution has given to the relevant supervisory authority in its home State a notice in accordance with paragraph 2 below;
- (b) that the Bank has received from that authority a notice in accordance with paragraph 3 below; and
- (c) that either—
 - (i) the Bank has informed the institution that it may establish the branch; or
 - (ii) the period of two months beginning with the day on which the Bank received the notice mentioned in paragraph (b) above has elapsed.

2. A notice given by an institution to the relevant supervisory authority in its home State is given in accordance with this paragraph if it states—

- (a) the United Kingdom to be a member State in which the institution proposes to carry on home-regulated activities;
- (b) whether the institution intends to establish a branch in the United Kingdom;
- (c) if the notice states that the institution does not intend to establish such a branch, the home-regulated activities in relation to which the notice is given; and
- (d) if the notice states that the institution intends to establish such a branch, the requisite details of the branch.

3.—(1) A notice given in respect of a European authorised institution or quasi-European authorised institution by the relevant supervisory authority in its home State is in accordance with this paragraph if it—

- (a) certifies that the institution is a credit institution which is for the time being authorised to act as such an institution by the authority;
- (b) contains the information stated in the institution's notice; and
- (c) if the institution intends to establish a branch in the United Kingdom, contains—
 - (i) a statement of the amount of the institution's own funds and the solvency ratio of the institution (calculated in accordance with the Solvency Ratio Directive⁽¹⁾); and
 - (ii) details of any deposit guarantee scheme which is intended to secure the protection of depositors in the branch.

(2) A notice given in respect of a European subsidiary or quasi-European subsidiary by the relevant supervisory authority in its home State is in accordance with this paragraph if it—

- (a) certifies that the institution is a financial institution which is a 90 per cent. subsidiary undertaking of a European institution incorporated in or formed under the law of that State;

(1) Council Directive 89/647/EEC (OJNo. L386, 30.12.89, p.14), as amended by Commission Directive 91/31/EEC (OJ No. L17, 23.1.91, p.20).

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- (b) certifies that the conditions mentioned in regulation 3(6) of these Regulations are fulfilled in relation to the institution;
- (c) certifies that the institution's business is being conducted in a prudent manner;
- (d) contains the information stated in the institution's notice; and
- (e) if the institution intends to establish a branch in the United Kingdom, contains a statement of the amount of the institution's own funds and the consolidated solvency ratio of the institution's parent undertaking (calculated in accordance with the Solvency Ratio Directive).

(3) The Bank shall as soon as practicable send a copy of any notice received by it in accordance with this paragraph, and a note of the date of its receipt, to every other authority which it knows is a connected UK authority.

Requirements for changing requisite details of branch

4.—(1) Subject to sub-paragraph (2) below, the requirements of this paragraph are—

- (a) that the institution has given a notice to the Bank, and to the relevant supervisory authority in its home State, stating the details of the proposed change;
- (b) that the Bank has received from that authority a notice stating those details; and
- (c) that either the Bank has informed the institution that it may make the change, or the period of one month beginning with the day on which it gave the Bank the notice mentioned in paragraph (a) above has elapsed.

(2) In the case of a change occasioned by circumstances beyond the institution's control, the requirements of this paragraph are that the institution has, as soon as practicable (whether before or after the change), given a notice to the Bank, and to the relevant supervisory authority in its home State, stating the details of the change.

(3) The Bank shall as soon as practicable send a copy of any notice received by it in accordance with this paragraph, and a note of the date of its receipt, to every other authority which it knows is a connected UK authority.

Cancellation of compliance with certain requirements

5.—(1) The Bank may, on an application by a European subsidiary, direct that any compliance with the requirements of paragraph 1 above in relation to—

- (a) its carrying on of any activity; or
- (b) its establishment of a branch,

shall cease to have effect as from such date as may be specified in the direction.

(2) The Bank shall not give a direction under this paragraph unless—

- (a) the applicant has given notice of the application to the relevant supervisory authority in its home State; and
- (b) the Bank has agreed with that authority that the direction should be given.

(3) The date specified in a direction under this paragraph—

- (a) shall not be earlier than the date requested in the application; but
- (b) subject to that, shall be such date as may be agreed between the Bank and the relevant supervisory authority.

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(4) The Bank shall as soon as practicable send a copy of any direction given under this paragraph to the applicant, to the relevant supervisory authority and to every other authority which it knows is a connected UK authority.