

SCHEDULE 8

AMENDMENTS OF BANKING ACT

The deposit protection scheme

13. Section 50 of the Act (the Deposit Protection Board) shall have effect as if the reference in subsection (2) to authorised institutions included a reference to European authorised institutions which accept deposits in the United Kingdom.

14.—(1) Subject to sub-paragraph (2) below, section 52 of the Act (contributory institutions and general provisions as to contributions) shall have effect as if the reference in subsection (1) to authorised institutions included a reference to European authorised institutions which accept deposits in the United Kingdom.

(2) The Deposit Protection Board may, with the consent of the Treasury, waive (in whole or in part) all or any contributions from a European authorised institution which accepts deposits in the United Kingdom if it is satisfied that it is appropriate to do so, having regard to the extent to which sterling deposits with the United Kingdom offices of the institution are protected—

- (a) under the law of the institution's home State; or
- (b) by virtue of any arrangements which are in force there.

15. Section 58 of the Act (compensation payments to depositors) shall have effect as if in subsection (1)—

- (a) the reference to an authorised institution included a reference to a European authorised institution which accepts deposits in the United Kingdom; and
- (b) the reference to a former authorised institution included a reference to an institution which—
 - (i) was formerly a European authorised institution which accepted deposits in the United Kingdom; and
 - (ii) continues to have a liability in respect of any deposit for which it had a liability when it was such an institution.

16. Section 60 of the Act (protected deposits) shall have effect as if in subsection (6)—

- (a) the reference to a former authorised institution included a reference to an institution which—
 - (i) was formerly a European authorised institution which accepted deposits in the United Kingdom; and
 - (ii) continues to have a liability in respect of any deposit for which it had a liability when it was such an institution; and
- (b) the references to ceasing to be an authorised institution included references to ceasing to be a European authorised institution which accepted deposits in the United Kingdom.