
STATUTORY INSTRUMENTS

2014 No. 3486

The Banks and Building Societies (Depositor Preference and Priorities) Order 2014

PART 2

Amendments of Insolvency Act 1986

Additional preferential debts

11.—(1) Schedule 6(1) to the Insolvency Act 1986 (preferential debts) is amended as follows.

(2) After paragraph 15B, insert—

“Category 8: Other deposits

15BA. So much of any amount owed at the relevant date by the debtor to one or more eligible persons in respect of an eligible deposit as exceeds any compensation that would be payable in respect of the deposit under the Financial Services Compensation Scheme to that person or those persons.

15BB. An amount owed at the relevant date by the debtor to one or more eligible persons in respect of a deposit that—

- (a) was made through a non-EEA branch of a credit institution authorised by the competent authority of an EEA state, and
- (b) would have been an eligible deposit if it had been made through an EEA branch of that credit institution.”.

(3) In the italic heading before paragraph 15C, for “Category 7” substitute “Categories 7 and 8”.

(4) In paragraph 15C—

- (a) in sub-paragraph (1), for “paragraph 15B” substitute “paragraphs 15B to 15BB”;
- (b) in sub-paragraph (2), for “this purpose” substitute “the purposes of those paragraphs and this paragraph”; and
- (c) after sub-paragraph (2), insert—

“(3) In paragraphs 15BA and 15BB, “eligible person” means—

- (a) an individual, or
- (b) a micro-enterprise, a small enterprise or a medium-sized enterprise, each of those terms having the meaning given in Article 2.1(107) of Directive 2014/59/

(1) Schedule 6 to the Insolvency Act 1986 was amended by the Enterprise Act 2002 (c.40), section 251, and Schedule 26; the Pension Schemes Act 1993 (c.48), Schedule 8, paragraph 18; the Employment Rights Act 1996 (c.18), Schedule 1, paragraph 29, the Enterprise and Regulatory Reform Act 2013 (c.24), Schedule 19, paragraphs 1, 64; the Financial Services (Banking Reform) Act 2013 (c.33), section 13 and S.I. 2008/948; 1987/2093.

EU of 15th May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms.⁽²⁾

(4) In paragraph 15BB—

- (a) “credit institution” has the meaning given in Article 4.1(1) of the capital requirements regulation;
- (b) “EEA branch” means a branch, as defined in Article 4.1(17) of the capital requirements regulation, which is established in an EEA state;
- (c) “non-EEA branch” means a branch, as so defined, which is established in a country which is not an EEA state;

and for this purpose “the capital requirements regulation” means Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26th June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012⁽³⁾.”.

(2) OJ no L173, 12.6.2014, p.190.

(3) OJ no L176, 27.6.2013, p.1. For corrigenda see OJ no L208, 2.8.2013 p.68 and OJ no L321, 30.11.2013 p. 6.