
STATUTORY INSTRUMENTS

2018 No. 1285

The Deposit Guarantee Scheme and Miscellaneous Provisions (Amendment) (EU Exit) Regulations 2018

PART 4

Modification of the Deposit Guarantee Scheme Regulations 2015: European Union (Withdrawal) Act 2018

Amendments of the Deposit Guarantee Scheme Regulations 2015

- 5.—(1) The 2015 Regulations are further amended as follows.
- (2) In regulation 2, in paragraph (1)—
- (a) for the definition of “deposit” substitute—
- ““deposit” means—
- (a) a deposit within the meaning of point (23A) of Article 2(1) of Regulation (EU) No. 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012;
- (b) a share in a building society, as defined in section 119 of the Building Societies Act 1986, other than a share of a capital nature that is own funds, as defined in point (118) of Article 4.1 of Regulation No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012; or
- (c) a share in a credit union other than—
- (i) a deferred share within the meaning given by section 31A of the Credit Unions Act 1979; or
- (ii) a deferred share issued by a society registered under the Credit Unions (Northern Ireland) Order 1985 or a society registered under the Industrial and Provident Societies Act (Northern Ireland) 1969 as a credit union;”;
- (b) omit the definition of “non-UK deposit guarantee scheme”.
- (3) In regulation 3 (meaning of “compensation scheme member”)—
- (a) omit paragraph (1)(a);
- (b) in paragraph (2)(d)(ii), omit “an incoming firm or”;
- (c) omit paragraph (3)(a).
- (4) Omit regulation 4 (designation of competent authority and designated authority).
- (5) In regulation 7A (transitional maximum compensation level), at the end insert—
- “(5) The amount referred to in paragraph (3) must be reviewed periodically by the PRA and at least once every five years.

Changes to legislation: The Deposit Guarantee Scheme and Miscellaneous Provisions (Amendment) (EU Exit) Regulations 2018, PART 4 is up to date with all changes known to be in force on or before 11 October 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

(6) Having reviewed the amount referred to in paragraph (3), the PRA may adjust the amount, taking account of matters the PRA considers relevant, including in particular, developments in the banking sector and the economic and monetary situation in the United Kingdom.

[^{F1}(7) The first review carried out in accordance with paragraph (5) must be completed no later than five years after regulation 5 of the Deposit Guarantee Scheme and Miscellaneous Provisions (Amendment) (EU Exit) Regulations 2018 comes into force (in accordance with paragraph 1(1) of Schedule 5 to the European Union (Withdrawal Agreement) Act 2020).]

(8) The PRA may adjust the amount referred to in paragraph (3) in accordance with inflation in the United Kingdom during the period since the most recent alteration of the amount referred to in paragraph (3).

(9) Any adjustment under paragraph (8) must be carried out on the basis of changes in the consumer prices index calculated and published by the Office for National Statistics or, where the index is not published for any year during the period, any substituted index or figures published by that Office.

(10) The PRA is not required to carry out a review under paragraph (5) in order to exercise its power under paragraph (8).

(11) The PRA must not adjust the amount referred to in paragraph (3) in accordance with paragraph (6) or (8) without the prior written approval of the Treasury.”.

(6) For regulation 8 (determination by PRA whether contributions may be raised by the scheme manager) substitute—

“Determination by PRA whether contributions may be raised by the scheme manager

8.—(1) This regulation specifies conditions which must be met before the scheme manager may request a loan under section 223B ^{F2} of FSMA for the purposes of—

- (a) repaying depositors in accordance with the compensation scheme; or
- (b) contributing to the costs of the special resolution regime under section 214B ^{F3} of FSMA or section 61(2)(b) of the Banking Act 2009.

(2) The conditions are—

- (a) the PRA has determined whether the scheme manager may raise contributions under the compensation scheme; and
- (b) the PRA has notified that determination in writing to the scheme manager and the Treasury.”.

(7) Omit regulation 10 (payment of compensation by the scheme manager on behalf of a non-UK scheme).

(8) Omit regulation 11 (notification of covered deposits and available financial means of the compensation scheme).

(9) Omit regulation 12 (notification of contents of co-operation agreements).

(10) In regulation 18 (review), omit paragraph (2).

F1 Words in reg. 5(5) substituted (31.12.2020 immediately before IP completion day) by [The Securities Financing Transactions, Securitisation and Miscellaneous Amendments \(EU Exit\) Regulations 2020 \(S.I. 2020/1385\)](#), regs. 1(4), 46

F2 Inserted by the Banking Act 2009, section 173.

F3 A section 214B was originally inserted by the Banking Act 2009, section 171(1). A modified section 214B and sections 214C and 214D were substituted for that by the Financial Services Act

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2010, section 16(1), and the modified section 214B was subsequently amended by the Financial Services Act 2012, section 101(10).

Commencement Information

- I1** Reg. 5 in force at 31.12.2020 on IP completion day (in accordance with [2020 c. 1, Sch. 5 para. 1\(1\)](#)), see [reg. 1\(3\)](#)

Transitional arrangements for payment of compensation by the scheme manager on behalf of a non-UK deposit guarantee scheme

6.—(1) Paragraph (2) applies if—

- (a) the conditions specified in regulation 10(1)(a) and (b) of the 2015 Regulations are met in relation to a non-UK deposit guarantee scheme before regulation 5(7) (above) comes into force; but
- (b) the conditions specified in regulation 10(1)(c) of the 2015 Regulations are not met until after regulation 5(7) (above) comes into force.

(2) The scheme manager may, with the written consent of the PRA and in accordance with the instructions of the non-UK deposit guarantee scheme, make a payment of compensation referred to in regulation 10 of the 2015 Regulations.

(3) Anything done or omitted by the scheme manager in accordance with this regulation or in consequence of the application of paragraph 37 of Schedule 8 to the European Union (Withdrawal) Act 2018 in relation to a non-UK deposit guarantee scheme is to be treated for the purposes of section 222(1) of the Financial Services and Markets Act 2000 (statutory immunity) as done or omitted in the discharge, or purported discharge, of the scheme manager's functions.

(4) The PRA may by rules make provision in connection with the payment of compensation by the scheme manager in accordance with paragraph (2).

Commencement Information

- I2** Reg. 6 in force at 31.12.2020 on IP completion day (in accordance with [2020 c. 1, Sch. 5 para. 1\(1\)](#)), see [reg. 1\(3\)](#)

Changes to legislation:

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Changes and effects yet to be applied to :

- Regulations revoked by [2023 c. 29 Sch. 1 Pt. 2](#)