

## SCHEDULE

### PART 1

#### Interpretation

1. In this Schedule—

“credit items in the course of transmission”, in relation to an eligible institution, means standing orders and other credit transfers debited to customers’ accounts, and payment orders including cheques and bankers’ payments, in respect of which the eligible institution is required to make a payment and has not yet made it;

“debit items in the course of collection”, in relation to an eligible institution, means payment orders including cheques (other than cheques passed to United Kingdom offices of other eligible institutions for collection) and bankers’ payments in respect of which the eligible institution is entitled to receive a payment and has not yet received it;

“finance lease” means a lease granted on terms which have the effect of transferring to the lessee all or substantially all of the risk and rewards of ownership of the asset or assets subject to the lease;

“fixed assets”, in relation to an eligible institution, means assets which are intended for use on a continuing basis in the institution’s activities;

“group” has the meaning given by section 474(1) of the Companies Act 2006<sup>(1)</sup>;

“items in suspense”—

- (a) includes, except as provided for in sub-paragraph (b), all credit balances in the books of an eligible institution that are not in customers’ names, but that relate to funds held on behalf of customers or others, including but not limited to—
- (i) accounts holding funds awaiting transfer to customers (other than accounts relating to interest accruing and interest suspense accounts);
  - (ii) returnable application monies for issues of securities;
  - (iii) funds of any customer awaiting investment which have been transferred to an account not in the name of the customer;
  - (iv) funds transferred from the account of any customer to an account not in the name of the customer to meet acceptances, confirmed credits and similar obligations;
  - (v) funds placed on account to meet travellers’ cheques issued by the eligible institution but not yet presented;
  - (vi) valuation fees awaiting transfer to a person who has made a report on the value of land;
  - (vii) accounts holding funds which the eligible institution has received as collecting agent on behalf of a charity;
- (b) excludes balances awaiting settlement of securities transactions held in an account not in the name of the customer;

“net sterling liabilities to non-resident offices”, in relation to an eligible institution, means the amount by which the institution’s total sterling liabilities to non-resident offices exceed its total sterling claims on non-resident offices;

“non-resident banking subsidiary”, in relation to an eligible institution or a non-resident parent, means a body corporate incorporated in a country or territory outside the United Kingdom, or

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(1) 2006 c. 46.

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a partnership or other unincorporated association formed under the law of such a country or territory, whose sole or main business is banking and—

- (a) in the case of an undertaking with a share capital, all of whose voting share capital is beneficially owned by that eligible institution or that non-resident parent, or
- (b) in the case of any other undertaking, all of whose shares are beneficially owned by that eligible institution or that non-resident parent;

“non-resident offices”, in relation to an eligible institution, means the offices outside the United Kingdom of—

- (a) that institution,
- (b) any non-resident banking subsidiary of that institution, and
- (c) if that institution has a non-resident parent, that non-resident parent and any of its non-resident banking subsidiaries;

“non-resident parent”, in relation to an eligible institution, means a body corporate incorporated in a country or territory outside the United Kingdom, or a partnership or other unincorporated association formed under the law of such a country or territory which beneficially owns—

- (a) in the case of an undertaking with a share capital, all of the voting share capital of that institution, or
- (b) in the case of any other undertaking, all of the shares of that institution;

“over two year deposits” in relation to an eligible institution, means deposits—

- (a) made with the institution on terms to the effect that repayment cannot be required before the end of the period of two years beginning with the day on which the deposit is made (other than in exceptional circumstances outside the control of the depositor specified at the time the deposit is made), and
- (b) which have been reported as such deposits by the institution to the Bank;

“retransfer agreement” means—

- (a) a sale and repurchase agreement,
- (b) an agreement under which one party sells securities or other assets to another, and by a related transaction undertakes to purchase the same or equivalent securities or assets from that other party on a specified date, or at call, at a specified price, or
- (c) an agreement under which one party otherwise transfers securities or other assets to another in return for a cash payment, and as part of the same transaction undertakes to make a cash payment to that other party upon the transfer to it by that other party of the same or equivalent securities or assets on as specified date, or at call;

“sale and repurchase agreement” means an agreement under which one party sells securities or other assets to another, and as part of the same transaction undertakes to purchase the same or equivalent securities or assets from that other party on a specified date, or at call, at a specified price;

“securities” includes shares, stocks, debentures, debenture stock, loan stock and bonds;

“sterling deposit liabilities to non-resident offices”, in relation to an eligible institution, means sterling liabilities of the United Kingdom offices of that institution to its non-resident offices which—

- (a) fall within paragraph 8 or 10, and
- (b) have been reported as such liabilities by the institution to the Bank;

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“total sterling claims on non-resident offices”, in relation to an eligible institution, means the total sterling claims of the United Kingdom offices of that institution on its non-resident offices which have been reported as such claims by the institution to the Bank;

“total sterling liabilities to non-resident offices”, in relation to an eligible institution, means the total sterling liabilities of the United Kingdom offices of that institution to its non-resident offices, which have been reported as such liabilities by the institution to the Bank;

“undertaking” has the meaning given in section 1161(1) of the Companies Act 2006;

“voting share capital” in relation to an undertaking, means issued shares carrying rights to vote in all or substantially all circumstances at general meetings of the undertaking; and, in determining for the purposes of this Schedule whether any shares carry rights to vote, any temporary suspension of voting rights attached to those shares must be ignored.