
STATUTORY INSTRUMENTS

2014 No. 3486

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

PART 4

Amendments of Insolvency (Northern Ireland) Order 1989

Additional preferential debts

23. In Schedule 4 to the Insolvency (Northern Ireland) Order 1989 (categories of preferential debts)(1), after paragraph 17 insert—

“Category 7: Deposits covered by Financial Services Compensation Scheme

18. So much of any amount owed at the relevant date by the debtor in respect of an eligible deposit as does not exceed the compensation that would be payable in respect of the deposit under the Financial Services Compensation Scheme to the person or persons to whom the amount is owed.

Category 8: Other deposits

19. 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.

20. 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.

Interpretation for Categories 7 and 8

21.—(1) In paragraphs 18 to 20 “eligible deposit” means a deposit in respect of which the person, or any of the persons, to whom it is owed would be eligible for compensation under the Financial Services Compensation Scheme.

(2) For the purposes of those paragraphs and this paragraph a “deposit” means rights of the kind described in—

(1) Schedule 4 was amended by [S.I. 2005/1455 \(N.I. 10\)](#). There are other amendments not relevant to this Order.

- (a) paragraph 22 of Schedule 2 to the Financial Services and Markets Act 2000⁽²⁾ (deposits), or
 - (b) section 1(2)(b) of the Dormant Banks and Building Society Accounts Act 2008⁽³⁾ (balances transferred under that Act to authorised reclaim fund).
- (3) In paragraphs 19 and 20, “eligible person” means—
- (a) an individual, or
 - (b) a micro-enterprise, a small enterprise or medium-sized enterprise, each of those terms having the meaning given in Article 2.1(107) of the Directive 2014/59/EU of 15th May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms⁽⁴⁾.
- (4) In paragraph 20—
- (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⁽⁵⁾.”.

(2) 2000 c.8.

(3) 2008 c.31.

(4) OJ no 173, 12/6/2014, p 190.

(5) 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.