

SCHEDULE 2

REQUIREMENTS AS RESPECTS EUROPEAN INSTITUTIONS

Requirements for carrying on activities etc.

1.—(1) In relation to the carrying on of a home-regulated activity by the provision of services, the requirements of this paragraph are that the institution has given to the relevant supervisory authority in its home State a notice in accordance with paragraph 2 below.

(2) In relation to the establishment of a branch, the requirements of this paragraph are—

- (a) that the institution has given to the relevant supervisory authority in its home State a notice in accordance with paragraph 2 below;
- (b) that the Bank has received from that authority a notice in accordance with paragraph 3 below; and
- (c) that either—
 - (i) the Bank has informed the institution that it may establish the branch; or
 - (ii) the period of two months beginning with the day on which the Bank received the notice mentioned in paragraph (b) above has elapsed.

2. A notice given by an institution to the relevant supervisory authority in its home State is given in accordance with this paragraph if it states—

- (a) the United Kingdom to be a member State in which the institution proposes to carry on home-regulated activities;
- (b) whether the institution intends to establish a branch in the United Kingdom;
- (c) if the notice states that the institution does not intend to establish such a branch, the home-regulated activities in relation to which the notice is given; and
- (d) if the notice states that the institution intends to establish such a branch, the requisite details of the branch.

3.—(1) A notice given in respect of a European authorised institution or quasi-European authorised institution by the relevant supervisory authority in its home State is in accordance with this paragraph if it—

- (a) certifies that the institution is a credit institution which is for the time being authorised to act as such an institution by the authority;
- (b) contains the information stated in the institution's notice; and
- (c) if the institution intends to establish a branch in the United Kingdom, contains—
 - (i) a statement of the amount of the institution's own funds and the solvency ratio of the institution (calculated in accordance with the Solvency Ratio Directive⁽¹⁾); and
 - (ii) details of any deposit guarantee scheme which is intended to secure the protection of depositors in the branch.

(2) A notice given in respect of a European subsidiary or quasi-European subsidiary by the relevant supervisory authority in its home State is in accordance with this paragraph if it—

- (a) certifies that the institution is a financial institution which is a 90 per cent. subsidiary undertaking of a European institution incorporated in or formed under the law of that State;

(1) Council Directive [89/647/EEC](#) (OJNo. L386, 30.12.89, p.14), as amended by Commission Directive [91/31/EEC](#) (OJ No. L17, 23.1.91, p.20).

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- (b) certifies that the conditions mentioned in regulation 3(6) of these Regulations are fulfilled in relation to the institution;
 - (c) certifies that the institution's business is being conducted in a prudent manner;
 - (d) contains the information stated in the institution's notice; and
 - (e) if the institution intends to establish a branch in the United Kingdom, contains a statement of the amount of the institution's own funds and the consolidated solvency ratio of the institution's parent undertaking (calculated in accordance with the Solvency Ratio Directive).
- (3) The Bank shall as soon as practicable send a copy of any notice received by it in accordance with this paragraph, and a note of the date of its receipt, to every other authority which it knows is a connected UK authority.