



Banking Act 1987

1987 CHAPTER 22

PART I

REGULATION OF DEPOSIT-TAKING BUSINESS

Restriction on acceptance of deposits

6 Meaning of "deposit-taking business"

- (1) Subject to the provisions of this section, a business is a deposit-taking business for the purposes of this Act if—
 - (a) in the course of the business money received by way of deposit is lent to others; or
 - (b) any other activity of the business is financed, wholly or to any material extent, out of the capital of or the interest on money received by way of deposit.
- (2) Notwithstanding that paragraph (a) or (b) of subsection (1) above applies to a business, it is not a deposit-taking business for the purposes of this Act if—
 - (a) the person carrying it on does not hold himself out as accepting deposits on a day to day basis; and
 - (b) any deposits which are accepted are accepted only on particular occasions, whether or not involving the issue of debentures or other securities.
- (3) For the purposes of subsection (1) above all the activities which a person carries on by way of business shall be regarded as a single business carried on by him.
- (4) In determining for the purposes of subsection (2)(b) above whether deposits are accepted only on particular occasions regard shall be had to the frequency of those occasions and to any characteristics distinguishing them from each other.
- (5) For the purposes of subsection (2) above there shall be disregarded any deposit in respect of the acceptance of which the person in question is exempt from the prohibition in section 3 above and any money received by way of deposit which is not used in the manner described in subsection (1) above.