

SCHEDULES

SCHEDULE 8

ENFORCEMENT BY DEDUCTION FROM ACCOUNTS

PART 1

SCHEME FOR ENFORCEMENT BY DEDUCTION FROM ACCOUNTS

Effect of hold notice

- 6 (1) A deposit-taker to whom a hold notice is given under paragraph 4 must, for each relevant account (see sub-paragraph (6))—
- (a) determine whether or not there is a held amount (greater than nil) in relation to that account, and
 - (b) if there is such a held amount in relation to that account, take the first or second type of action (see sub-paragraph (3)) in respect of that account.

See paragraph 7 for how to determine the held amount in relation to any relevant account.

- (2) The deposit-taker must comply with sub-paragraph (1) as soon as is reasonably practicable and, in any event, within the period of 5 working days beginning with the day on which the hold notice is given.
- (3) In relation to each affected account (see sub-paragraph (7))—
 - (a) the first type of action is to put in place such arrangements as are necessary to ensure that the deposit-taker does not do anything, or permit anything to be done, that would reduce the amount standing to the credit of that account below the held amount in relation to that account;
 - (b) the second type of action is to—
 - (i) transfer an amount equal to the held amount from the affected account into an account created by the deposit-taker for the sole purpose of containing that transferred amount (a “suspense account”), and
 - (ii) put in place such arrangements as are necessary to ensure that the deposit-taker does not do anything, or permit anything to be done, that would reduce the amount standing to the credit of that suspense account below the amount that is the held amount in relation to the affected account.
- (4) The deposit-taker must maintain any arrangements made under sub-paragraph (3) until the hold notice ceases to be in force.
- (5) A hold notice ceases to be in force when—

Status: This is the original version (as it was originally enacted).

- (a) the deposit-taker is given a notice cancelling it under paragraph 9 or 11 or the hold notice is cancelled under paragraph 12, or
 - (b) the deposit-taker is given a deduction notice in relation to the hold notice (see paragraph 13).
- (6) In this Part of this Schedule “relevant account”, in relation to a hold notice, means an account held with the deposit-taker by P, but not including—
- (a) an account excluded under paragraph 4(3)(b) or by regulations under paragraph 20(2)(c),
 - (b) an account not denominated in sterling, or
 - (c) any suspense account.
- (7) For the purposes of this Part of this Schedule, a relevant account is an “affected account” if, as a result of the hold notice, an amount is the held amount in relation to that account (see paragraph 7(1) and (2)).