

SCHEDULE 7

RESTRICTIONS BY THE UK AUTHORITY

Notice of restriction in non-urgent cases

2.—(1) Subject to paragraph 3 below, where the UK authority proposes, in relation to a UK subsidiary—

- (a) to impose a restriction; or
- (b) to vary a restriction otherwise than with the agreement of the institution,

the UK authority shall give notice of its proposal to the institution and to every other authority which it knows is a connected UK authority.

(2) A notice under sub-paragraph (1) above shall—

- (a) specify the proposed restriction or, as the case may be, the proposed variation; and
- (b) state the grounds on which the UK authority proposes to act and give particulars of the institution's rights under sub-paragraph (4) below.

(3) Where—

- (a) a proposed restriction consists of or includes a condition requiring the removal of any person as director, controller or manager; or
- (b) the ground or a ground for a proposal to impose or vary a restriction is that it appears to the UK authority that the criterion in paragraph 1 of Schedule 3 to the Banking Act is not or has not been fulfilled, or may not or may not have been fulfilled, in the case of any person,

the UK authority shall give that person a copy of the notice mentioned in sub-paragraph (1) above, together with a statement of his rights under sub-paragraph (4) below.

(4) An institution which is given a notice under sub-paragraph (1) above and a person who is given a copy under sub-paragraph (3) above may, within the period of 14 days beginning with the day on which the notice was given, make representations to the UK authority.

(5) After giving a notice under sub-paragraph (1) above and taking into account any representations made under sub-paragraph (4) above, the UK authority shall decide whether—

- (a) to proceed with the action proposed in the notice;
- (b) to take no further action; or
- (c) to impose a different restriction or, as the case may be, make a different variation.

(6) The UK authority shall give—

- (a) the institution; and
- (b) any such person as is mentioned in sub-paragraph (4) above,

written notice of its decision and, except where the decision is to take no further action, the notice shall state the reasons for the decision and give particulars of the rights conferred by sub-paragraph (10) below and section 27 of the Banking Act or, as the case may be, section 46 of the Building Societies Act.

(7) A notice under sub-paragraph (6) above shall be given within the period of 28 days beginning with the day on which the notice under sub-paragraph (1) above was given.

(8) If no notice under sub-paragraph (6) above is given within the period mentioned in sub-paragraph (7) above, the UK authority shall be treated as having at the end of that period given a notice under that sub-paragraph to the effect that no further action is to be taken.

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

(9) A notice under sub-paragraph (6) above imposing a restriction on an institution or varying a restriction shall have the effect of restricting the institution's activities or varying the restriction in the manner specified in the notice.

(10) Where the decision notified under sub-paragraph (6) above is to impose or vary a restriction otherwise than as stated in the notice given under sub-paragraph (1) above—

- (a) the institution concerned may, within the period of seven days beginning with the day on which the notice was given under sub-paragraph (6) above, make written representations to the UK authority with respect to the restriction or variation; and
- (b) the UK authority may, after taking those representations into account, alter the restriction.

(11) The UK authority may omit from the copy given to a person under sub-paragraph (4) above and from a notice given to him under sub-paragraph (6) above any matter which does not relate to him.