

2015 No. 1456

BANKS AND BANKING

The Deposit Guarantee Scheme (Amendment) Regulations 2015

Made - - - - *2nd July 2015*

Laid before Parliament *at 11.00 a.m. on 3rd July 2015*

Coming into force - - *at 1.00 p.m. on 3rd July 2015*

The Treasury are designated(a) for the purposes of section 2(2) of the European Communities Act 1972(b) in relation to financial services.

The Treasury, in exercise of the powers conferred by section 2(2) of that Act, make the following Regulations.

Citation and commencement

1. These Regulations may be cited as the Deposit Guarantee Scheme (Amendment) Regulations 2015, and come into force at 1.00 p.m. on 3rd July 2015.

Amendment of the Deposit Guarantee Scheme Regulations

2.—(1) The Deposit Guarantee Scheme Regulations 2015(c) are amended as follows.

(2) In regulation 7 the existing text becomes paragraph (1).

(3) After that paragraph, insert—

“(2) Compensation scheme rules(d) made by the PRA in accordance with paragraph (1) are subject to regulation 7A.”

(4) After regulation 7, insert—

“Transitional maximum compensation level

7A.—(1) For the period from 3rd July 2015 to 31st December 2015, the maximum compensation payable in accordance with PRA compensation scheme rules in respect of eligible deposits held by a relevant person with a compensation scheme member(e) is

(a) S.I. 2012/1759.

(b) 1972 c.68. Section 2(2) was amended by section 27 of the Legislative and Regulatory Reform Act 2006 (c.51) and by section 3 of, and the Schedule to, the European Union (Amendment) Act 2008 (c.7). By virtue of the amendment of section 1(2) by section 1 of the European Economic Area Act 1993 (c.51), regulations may be made under section 2(2) of the European Communities Act 1972 to implement obligations of the United Kingdom created by or arising under the Agreement on the European Economic Area signed at Oporto on 2nd May 1992 (Cm 2073) and the Protocol adjusting the Agreement signed in Brussels on 17th March 1993 (Cm 2183).

(c) S.I. 2015/486.

(d) “compensation scheme rules” is defined in regulation 2(1) of the Deposit Guarantee Scheme Regulations 2015.

(e) “compensation scheme member” is defined in regulation 3(1) of the Deposit Guarantee Scheme Regulations 2015.

£85,000 (and no account shall be taken of any lower limit provided for in PRA compensation scheme rules), unless paragraph (2) applies.

(2) This paragraph applies if additional compensation is payable to a relevant person under PRA compensation scheme rules made to give effect to Article 6.2 of the deposit guarantee schemes directive^(a).

(3) After 31st December 2015, the maximum compensation payable in respect of eligible deposits held by a relevant person with a compensation scheme member is the amount provided for by PRA compensation scheme rules.

(4) For the purposes of this regulation, a person is a “relevant person” if deposits held by that person—

- (a) were, or would have been, eligible for compensation under the compensation scheme^(b) before 3rd July 2015, and
- (b) are eligible for compensation under the compensation scheme on 3rd July 2015 and after that date.”

Mel Stride
George Hollingbery

2nd July 2015

Two of the Lords Commissioners of Her Majesty’s Treasury

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations further implement Directive 2014/49/EU of the European Parliament and of the Council of 16th April 2014 on deposit guarantee schemes (recast) repealing Directive 94/19/EC (OJ 173 12.6.2014, p.149) (the “DGSD”), by amending the Deposit Guarantee Scheme Regulations 2015 (S.I. 2015/486) to provide for the maximum level of compensation available for deposits under the Financial Services Compensation Scheme (“FSCS”) to remain at £85,000 for a transitional period of six months for those depositors who are entitled to that level of compensation under the FSCS now, and who will continue to be entitled to compensation under the FSCS once the DGSD is fully implemented on 3rd July 2015.

An impact assessment has not been produced for this instrument as no impact on the costs of business or the voluntary sector is foreseen.

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(a) “deposit guarantee schemes directive” is defined in regulation 2(1) of the Deposit Guarantee Scheme Regulations 2015.
(b) “compensation scheme” is defined in regulation 2(1) of the Deposit Guarantee Scheme Regulations 2015.

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