

**PRA RULEBOOK: CRR FIRMS, NON CRR FIRMS AND NON AUTHORISED PERSONS:  
DEPOSITOR PROTECTION AND  
DORMANT ACCOUNT SCHEME (AMENDMENT) INSTRUMENT 2015**

**Powers exercised**

- A. The Prudential Regulation Authority (“PRA”) makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 137G (The PRA’s general rules);
  - (2) section 137T (General supplementary powers);
  - (3) section 213 (The compensation scheme);
  - (4) section 214 (General); and
  - (5) section 218A (Regulators power to require information).
- B. The rule-making powers referred to above are specified for the purpose of section 138G(2) (Rule-making instrument) of the Act.

**Pre-conditions to making**

- C. In accordance with section 138J of the Act (Consultation by the PRA), the PRA consulted the Financial Conduct Authority. After consulting, the PRA published a draft of proposed rules and had regard to representations made.

**PRA Rulebook: CRR Firms, Non CRR Firms and Non Authorised Persons: Depositor Protection (Amendment) Instrument 2015**

- D. The PRA makes the rules in Annexes A and B to this instrument.

**Commencement**

- E. This instrument comes into force on 3 July 2015.

**Citation**

- F. This instrument may be cited as the PRA Rulebook: CRR Firms: Non CRR Firms: and Non Authorised Persons: Depositor Protection (Amendment) Instrument 2015.

**By order of the Board of the Prudential Regulation Authority**

14 May 2015.

## Annex A

### Amendments to the Depositor Protection Part

In this Annex, new text is underlined and deleted text is struck through.

#### 1 APPLICATION AND DEFINITIONS

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1.4 Unless otherwise stated, in this Part, the following definitions shall apply:

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##### *exclusions list*

~~has the meaning given in 16.2.~~

means:

- (1) up to and including 2 July 2016, a list in the form set out in Section A of Annex 3 to this Part, and
- (2) from 3 July 2016, a list in the form set out in Section B of Annex 3 to this Part.

##### *local authority*

means

- (1) in England and Wales, a local authority within the meaning of the Local Government Act 1972, the Greater London Authority, the Common Council of the City of London or the Council of the Isles of Scilly;
- (2) in Scotland, a council within the meaning of the Local Government etc. (Scotland) Act 1994;
- (3) in Northern Ireland, a district council within the meaning of The Local Government Act (Northern Ireland) 1972;
- (4) an authority equivalent to (1), (2) or (3) located in a country outside the UK.

...

##### *public authority*

includes a government, central administrative authority, provincial authority, regional authority, municipal authority or *local authority*.

...

##### *small local authority*

means a *local authority* with an annual budget of up to EUR 500,000.

...

## 2 ELIGIBILITY

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2.1 This Chapter applies ~~only~~ to the *FSCS* and *firms*.

2.2 The provisions in this rule determine whether a *deposit* is an *eligible deposit*:

...

(4) The following are not *eligible deposits*:

...

(j) a *deposit* by a public authority, unless it is a small local authority;

...

2.3 A firm, must at least annually, take reasonable steps to confirm that a depositor that it has classified as a small local authority continues to be a small local authority, using the exchange rate prevailing on the 3 July immediately preceding the date on which any confirmation is undertaken.

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## 9 TIME LIMITS

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9.6 (1) From 1 June 2016 until 31 December 2023, in cases to which ~~9.3~~ 9.2 applies, where the *FSCS* cannot pay compensation within seven *business days* starting on the day following the *compensation date*, the *FSCS* shall, provided ~~the FSCS~~ it receives sufficient information, ensure that within five *business days* of receipt of a request from a *depositor*:

- (a) the *depositor* who is an individual, has access to an appropriate amount of their *covered deposits* to cover the cost of living; and
- (b) the *depositor* which is not a *large company*, or is a small local authority, has access to an appropriate amount of their *covered deposits* to cover necessary business expenses.

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## 12 SINGLE CUSTOMER VIEW REQUIREMENTS

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12.9 A *firm* must ensure that each *single customer view* and *exclusions view* contains all the information set out in the table below.

...

42.	Account balance in sterling	Account balance including any interest, at end of business on: <ul style="list-style-type: none"> <li>• the date on which the <i>deposit</i> becomes</li> </ul>	Do not include any non-numeric symbols such as commas, currency symbols (e.g., £).
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		<p>an <i>unavailable deposit</i>; or</p> <ul style="list-style-type: none"> <li>the date of request from <i>FSCS</i> or <i>PRA</i> as applicable.</li> </ul> <p><u>Where there is a negative balance, the amount should be preceded by a minus symbol ('-').</u></p>	<p>All balances must be rounded up to two decimal places.</p> <p>Maximum number of characters in field: 15</p>
<u>43.</u>	<u>Authorised negative balances</u>	<u>The maximum negative balance on the account authorised by the firm, in sterling.</u>	<p><u>Do not include any non-numeric symbols such as commas, currency symbols (e.g. £).</u></p> <p><u>All figures must be rounded up to two decimal places.</u></p> <p><u>If the account does not accept negative balances please insert 0.00.</u></p> <p><u>If the maximum negative balance authorised is e.g. £50, please insert 50.00, not -50.00.</u></p> <p><u>Maximum number of characters in field: 15</u></p>
<del>43.</del> <u>44.</u>	Currency of account	Currency in which the account is held.	<p>ISO 4217 or alternative code if ISO 4217 is unavailable</p> <p>Maximum number of characters in field: 3</p>
<del>44.</del> <u>45.</u>	Account balance in original currency	<p>The original balance in the original currency, including any interest at the end of business before conversion to sterling [if applicable].</p> <p><u>Where there is a negative balance, the amount should be preceded by a minus symbol ('-').</u></p>	<p>Do not include any non-numeric symbols such as commas, currency symbols (e.g., £). All balances must be rounded up to two decimal places.</p> <p>Maximum number of characters in field: 15</p>

<del>45.</del> <u>46.</u>	Exchange rate	The exchange rate used to calculate the sterling balance [if applicable].	Do not include any non-numeric symbols such as commas, currency symbols (e.g., £). All balances must be rounded up to nine decimal places.  Maximum number of characters in field: 29
<del>46.</del> <u>47.</u>	Original account balance before interest	Account balance in original currency before interest accrued applied.  <u>Where there is a negative balance, the amount should be preceded by a minus symbol ('-').</u>	Do not include any non-numeric symbols such as commas, currency symbols (e.g., £). All balances must be rounded up to two decimal places.  Maximum number of characters in field: 15
<del>47.</del> <u>48.</u>	<i>Transferable eligible deposit</i>	If the file is a <i>single customer view</i> , the amount of the <i>transferable eligible deposit</i> [if applicable].	Do not include any non-numeric symbols such as commas, currency symbols (e.g., £). All balances must be rounded up to two decimal places.  Maximum number of characters in field: 15
	<b>Aggregate balance</b>		
<del>48.</del> <u>49.</u>	<i>Single customer view</i> record number	Unique customer identifier.	Maximum number of characters in field: 200
<del>49.</del> <u>50.</u>	Aggregate balance in sterling	Aggregate balance across all accounts <u>which contain a positive balance</u> at end of business on: <ul style="list-style-type: none"> <li>• the date the <i>deposit</i> becomes an <i>unavailable deposit</i>; or</li> <li>• the date of request from <i>FSCS</i> or <i>PRA</i> as applicable.</li> </ul>	Do not include any non-numeric symbols such as commas, currency symbols (e.g., £). All balances must be rounded up to two decimal places.  Maximum number of characters in

		<u>Where an account contains a negative balance, that balance should be excluded from the calculation of the aggregate balance.</u>	field: 15
<del>50.</del> <u>51.</u>	Compensatable amount in sterling	The amount to be compensated subject to the limit check that must be performed by the <i>firm</i> pursuant to 11.11(2) (this could be lower than the aggregate balance across all accounts <u>which contain a positive balance</u> if this exceeds the coverage levels set out in Chapter 4).  For beneficiary accounts, it may not be possible to calculate this amount and this field may be left blank.	Do not include any non-numeric symbols such as commas, currency symbols (e.g., £). All balances must be rounded up to two decimal places.  Maximum number of characters in field: 15

...

### 13 BRRD MARKING AND CONTINUITY OF ACCESS

13.1 This Chapter does not apply to the *FSCS*, *credit unions* or *Northern Ireland credit unions*.

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13.6 A *firm* must have systems in place that enable it to transfer any ~~*eligible deposits* which do not form part of the *transferable eligible deposit* into a separate account;~~

(1) *eligible deposits* which do not form part of the *transferable eligible deposits*; and

(2) negative balances in accounts that may also hold *eligible deposits*.

into a separate account.

13.7 A *firm* must transfer any ~~*eligible deposits* which do not form part of the *transferable eligible deposits* into a separate account within 48 hours of the *transferable eligible deposits* becoming *unavailable deposits*, or upon receipt of a request of the *PRA*;~~

(1) *eligible deposits* which do not form part of the *transferable eligible deposits*; and

(2) negative balances in accounts that may also hold *eligible deposits*.

into a separate account within 48 hours of the *transferable eligible deposits* becoming *unavailable deposits*, or upon receipt of a request from the *PRA*.

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## 16 FIRMS' DISCLOSURE OBLIGATIONS – INFORMATION SHEET AND EXCLUSIONS

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16.2 A *firm* must:

- (1) prepare an 'information sheet', containing the categories of information set out in the template in Annex 1 to this Part, ~~and prepare the *exclusions list*~~ prepare an '*exclusions list*' in the form set out in Annex 3 to this Part;

...

**[Note: Art. 16(1), (2), (3) and (4) and Art. 19(2) of the DGSD]**

...

## 17 FIRMS' DISCLOSURE OBLIGATIONS – STATEMENTS OF ACCOUNT

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17.1 A *firm* must:

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**[Note: Art. 16(1) and (3) and Art. 19(2) of the DGSD]**

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## 50 TRANSITIONAL PROVISIONS – SINGLE CUSTOMER VIEW

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50.2 This Chapter does not apply in relation to an *eligible deposit*:

- (1) of a *large company*;
- (2) contained in an account that is *not active*; ~~or~~
- (3) contained in an account that holds funds to which a *depositor* is not absolutely entitled; or
- (4) of a *small local authority*.

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## 52 TRANSITIONAL PROVISIONS – CLASS A TARIFF BASE CALCULATION

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52.2 Until 1 December 2016:

- (1) the *class A tariff base* in 43.1 excludes from *covered deposits* any *eligible deposit* of a *large company* and a *small local authority*; and
- (2) in Chapter 43.2, a reference to *single customer view* is a reference to a *single customer view* compiled in accordance with the requirements in Chapter 50 and which contains the information set out in 50.11 and the definitions of *single customer view* and *SCV requirements* in 1.4 are modified accordingly.

...



## ANNEX 3

## EXCLUSIONS LIST (CHAPTER 16)

**Section A (up to and including 2 July 2016)**

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(3) It is a deposit made by a depositor which is one of the following:

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- pension or retirement fund<sup>1</sup>
- public authority, other than a small local authority.

The following are deposits, categories of deposits or other instruments which will no longer be protected from 3 July 2015:

- deposits of a credit union to which the credit union itself is entitled
- deposits which can only be proven by a financial instrument<sup>2</sup> unless it is a savings product which is evidenced by a certificate of deposit made out to a named person and which exists in a Member State on 2 July 2014)
- deposits of a collective investment scheme which qualifies as a small company<sup>3</sup>
- deposits of an overseas financial services institution which qualifies as a small company<sup>4</sup>
- deposits of certain regulated firms (investment firms, insurance undertakings and reinsurance undertakings) which qualify as a small business or a small company<sup>5</sup> – refer to the FSCS for further information on this category

For further information about exclusions, refer to the FSCS website at [www.FSCS.org.uk](http://www.FSCS.org.uk)

<sup>1</sup> Deposits by personal pension schemes, stakeholder pension schemes and occupational pension schemes of micro, small and medium sized enterprises are not excluded

<sup>2</sup> Listed in Section C of Annex 1 of Directive 2014/65/EU

<sup>3</sup> Under the Companies Act 1985 or Companies Act 2006

<sup>4</sup> See footnote 3

<sup>5</sup> See footnote 3

**Section B (from 3 July 2016)**

A deposit is excluded from protection if:

(1) The holder and any beneficial owner of the deposit have never been identified in accordance with money laundering requirements. For further information, contact your bank, bank building society or credit union.

(2) The deposit arises out of transactions in connection with which there has been a criminal conviction for money laundering.

(3) It is a deposit made by a depositor which is one of the following:

- credit institution
- financial institution
- investment firm
- insurance undertaking
- reinsurance undertaking
- collective investment undertaking
- pension or retirement fund<sup>1</sup>
- public authority, other than a small local authority.

For further information about exclusions, refer to the FSCS website at <a href="http://www.FSCS.org.uk">www.FSCS.org.uk</a>
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<sup>1</sup> Deposits by personal pension schemes, stakeholder pension schemes and occupational pension schemes of micro, small and medium sized enterprises are not excluded

## Annex B

### Amendments to the Dormant Account Scheme Part

In this Annex, new text is underlined.

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#### **27 INFORMATION REQUIREMENTS**

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27.1 This Chapter does not apply to the *FSCS*.

27.2 A *firm* must provide the *FSCS*, on request by the *FSCS* or the *PRA*, with all information relating to *dormant accounts* it has transferred to a *dormant account fund operator* which is necessary to enable the *FSCS* to prepare for the payment of compensation in accordance with this Part.