STATUTORY INSTRUMENTS

1979 No. 1204

BANKS AND BANKING

The Banking Act 1979 (Exempt Transactions) Regulations 1979

Made - - - -	*28th September* 1979
Laid before Parliament	*28th September* 1979
Coming into Operation	*1st October* 1979

The Treasury, in exercise of the powers conferred upon them by sections 2(1) and (5) of the Banking Act 1979**(a)** and of all other powers enabling them in that behalf, hereby make the following regulations:—

Citation and commencement

1.—(1) These regulations may be cited as the Banking Act 1979 (Exempt Transactions) Regulations 1979.

(2) These regulations shall come into operation on 1st October 1979.

Interpretation

2. In these regulations, unless the context otherwise requires—

"the Act" means the Banking Act 1979;

"deposit", except in the expression "pre-contract deposit" and "deposit fund", shall be construed in accordance with section 1 of the Act;

"exempt transaction" shall be construed in accordance with regulation 3 of these regulations.

Exempt transactions

3. The transactions referred to in the following regulations are prescribed for the purposes of section 2 of the Act as transactions to which the prohibition in section 1(1) of the Act on the acceptance of a deposit does not apply. Such transactions are referred to in these regulations as "exempt transactions".

Charities

4.—(1) Subject to paragraph (2) of this regulation, the acceptance by a charity of a deposit is an exempt transaction.

(2) Paragraph (1) of this regulation does not apply to the acceptance of a deposit in respect of which interest or a premium on repayment is payable.

(a) 1979 c. 37.

(3) In this regulation "charity" means any institution, trust or undertaking, whether corporate or not, which is established solely for charitable purposes, and in the application of this regulation to Scotland "charitable" shall be construed in the same way as in the Income Tax Acts.

Church deposit funds

5.—(1) The acceptance by the Central Board of Finance of the Church of England of a deposit in the course of administering a deposit fund within the meaning of paragraph 1 of the scheme contained in the Schedule to the Church Funds Investment Measure 1958**(a)** is an exempt transaction.

(2) The acceptance by the Central Finance Board of the Methodist Church of a deposit in the course of administering a deposit fund within the meaning of paragraph 1 of the scheme contained in the First Schedule to the Methodist Church Funds Act 1960**(b)** is an exempt transaction.

Industrial and provident societies

6.—(1) Subject to paragraph (2) of this regulation, the acceptance by a society registered under the Industrial and Provident Societies Act 1965**(c)** or the Industrial and Provident Societies Act (Northern Ireland) 1969**(d)** of a deposit in the form of withdrawable share capital is an exempt transaction.

(2) This regulation does not apply to the acceptance by a credit union within the meaning of the Industrial and Provident Societies Act (Northern Ireland) 1969 or the Credit Unions Act 1979**(e)** of a deposit.

British Railways Savings Bank

7. The acceptance by the British Railways Board of a deposit pursuant to section 32(2) of the British Railways Act 1966**(f)** (establishment and maintenance of and receipt of moneys at British Railways Savings Bank) is an exempt transaction.

Solicitors

8.—(1) The acceptance by a practising solicitor in the course of his profession of a deposit is an exempt transaction.

(2) In this regulation "practising solicitor" means, except in Scotland, a solicitor who is qualified to act as such under section 1 of the Solicitors Act 1974**(g)** or Article 4 of the Solicitors (Northern Ireland) Order 1976**(h)**, and in Scotland includes a firm of practising solicitors.

Deposits accepted in the course of estate agency work

9.—(1) The acceptance in the course of estate agency work of a deposit which is a pre-contract deposit is an exempt transaction.

(a) 1958 No. 1. **(b)** 1960 c. xxiii.
(c) 1965 c. 12. **(d)** 1969 c. 24 (N.I.). **(e)** 1979 c. 34.
(f) 1966 c. xvii. **(g)** 1974 c. 47. **(h)** S.I. 1976/582 (N.I. 12).

(2) In this regulation "estate agency work" has the meaning assigned to it by section 1(1) of the Estate Agents Act 1979**(a)**, and "pre-contract deposit" has the meaning assigned to it by section 12(3) of that Act.

John MacGregor,
David Waddington,
Two of the Lords Commissioners
of Her Majesty's Treasury.

28th September 1979.

EXPLANATORY NOTE

(*This Note is not part of the Regulations.*)

These regulations prescribe certain transactions to which the prohibition on deposit-taking imposed by section 1 of the Banking Act 1979 does not apply. These transactions are the acceptance of deposits in specified circumstances by charities, the Central Board of Finance of the Church of England, the Central Finance Board of the Methodist Church, industrial and provident societies, the British Railways Savings Bank and solicitors and the acceptance of deposits in the course of estate agency work.

(a) 1979 c. 38.

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