STATUTORY INSTRUMENTS

1963 No. 1398

BORROWING AND SECURITIES

The Protection of Depositors (Exempted Advertisements) Regulations 1963

Made - - - -	13*th August* 1963
Laid before Parliament	19*th August* 1963
Coming into Operation	10*th October* 1963

The Board of Trade in pursuance of the powers conferred upon them by subsections 1(*b*) and (2) of section 3 and subsection (3) of section 25 of the Protection of Depositors Act 1963(**a**) hereby make the following Regulations :—

1. An advertisement with respect to deposits of any class specified in any part of the Schedule to these Regulations and complying with any conditions therein specified shall be exempted from section 2 of the Protection of Depositors Act 1963 (hereinafter referred to as " the Act ").

2. None of the provisions of the Act which apply to a company in respect of or in consequence of the issue of an advertisement for deposits shall apply to a company in respect of or in consequence of the issue of an advertisement (whether issued before or after these Regulations come into operation) of any class which is exempted from section 2 of the Act by virtue of Regulation 1 hereof.

3.—(1) Without prejudice to the provisions of section 31 of the Interpretation Act 1889(**b**), words and phrases used in these Regulations shall, except where the context otherwise requires, bear the same meanings as in the Companies Act 1948(**c**).

(2) The Interpretation Act 1889 shall apply to the interpretation of these Regulations as it applies to the interpretation of an Act of Parliament.

4. These Regulations may be cited as the Protection of Depositors (Exempted Advertisements) Regulations 1963 and shall come into operation on 10th October 1963.

Dated 13th August 1963.

Alan Green,
Minister of State,
Board of Trade.

THE SCHEDULE

EXEMPTED ADVERTISEMENTS

PART 1

Advertisements inviting deposits from charities

1. The advertisement must invite deposits to be made solely by charities.

2. The person with whom deposits are invited to be made must be a body corporate—

(i) which by its constitution is prohibited from paying any dividend to its members, and

(a) 1963 c. 16. (b) 52 & 53 Vict. c. 63. (c) 11 & 12 Geo. 6. c. 38.

(ii) which at the date of the issue of the advertisement, is not retaining money invested on deposit with it otherwise than by a charity.

3. In this Part of this Schedule "charity" means any institution, trust or undertaking, whether corporate or not, which is established for charitable purposes.

PART 2

Advertisements inviting deposits at a low rate of interest

1. The advertisement must specify a rate of interest payable on deposits.

2. The highest rate so specified (appropriately adjusted, where the advertisement indicates that the rate specified therein is payable after deduction of income tax, so as to take account of the amount of income tax payable at the standard rate for the time being in force) must not exceed a rate of interest of four and one half per cent. per annum or one per cent. above bank rate, whichever is the lower.

3. In this Part of this Schedule "bank rate" means the minimum rate at which members of the discount market may discount British Government Treasury bills or approved bills of exchange at the Bank of England prevailing on the day of issue of the advertisement, or, where there has been any change in the minimum rate during the 14 days ending with and including that day, the highest such rate prevailing at any time during that period.

PART 3

Advertisements inviting deposits in connection with an employer's savings or profit-sharing scheme

1. The advertisement must not invite deposits from persons other than those specified in paragraph 4 of this Part of this Schedule.

2. The advertisement must indicate that deposits are invited solely in connection with a savings or profit-sharing scheme.

3. Participation in the said scheme must be open only to persons specified as aforesaid.

4. The persons referred to in paragraph 1 are past and present employees of the person with whom the deposits are invited to be made and the members of the families of such employees, and where the person with whom the deposits are invited to be made is a body corporate, past and present employees of any subsidiary or holding company of that body or of any other subsidiary of any such holding company and members of the families of such employees.

In this paragraph the expression "employees" includes, in relation to a body corporate, any officers thereof.

PART 4

Advertisements inviting deposits to be made with an insurance company

1. The advertisement must invite deposits to be made solely with an insurance company to which the Insurance Companies Act 1958(a) applies in connection with any policy issued or to be issued by that company.

2. The insurance company with which deposits are invited to be made must not be a company in respect of which there is in force a direction given by the Board of Trade under paragraph 24(1) of Schedule 8 to the Companies Act 1948(b).

3. The insurance company with which deposits are invited to be made must, at the date of issue of the advertisement, have deposited with the Board of Trade any document which is required to be so deposited by that date by section 8(1) of the Insurance Companies Act 1958.

(a) 6 & 7 Eliz. 2. c. 72. (b) 11 & 12 Geo. 6. c. 38.

EXPLANATORY NOTE

(This Note is not part of the Regulations, but is intended to indicate their general purport.)

These Regulations, which are made under the Protection of Depositors Act 1963, specify the classes of advertisements which are exempted from the restrictions on the issue of advertisements inviting deposits contained in section 2 of the Act.