

**PRA RULEBOOK: CRR FIRMS, NON CRR FIRMS AND NON AUTHORISED PERSONS:  
DEPOSITOR PROTECTION (AMENDMENT No. 5) 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); and
  - (4) section 214 (General).
- 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 No. 5) Instrument 2015**

- D. The PRA makes the rules in Annex A 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 No.5) Instrument 2015

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

3 July 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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investment

has the meaning given in section 22(4) of FSMA.

nominee company

means a body corporate whose business consists solely of acting as a nominee holder of investments or other property.

...

## 6 PAYING COMPENSATION

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...

6.2 The FSCS must pay any compensation to the *depositor*, with the following exceptions:

...

- (5) where the ~~depositor~~ account holder is not absolutely entitled to the *eligible deposit*:
- (a) if another *person* (A) is absolutely entitled to the *eligible deposit*, ~~that person A~~ is the person entitled to compensation in respect of the deposit, and accordingly the FSCS must pay any compensation to A (or, where A (or a person who has authority to act on behalf of A) directs that any compensation be paid to another person, the FSCS may pay the compensation as directed by A (or a person who has authority to act on behalf of A) the person who is absolutely entitled to the eligible deposit, provided that the person A has been identified or is identifiable before the compensation date;

...

6.10 For the purposes of this Part, the cases in which A is absolutely entitled to the *eligible deposit* include where:

- (a) A is a beneficiary under a bare trust;
- (b) the account holder is a *nominee company* which is holding money in the account for A;

- (c) A is a client in respect of money which the account holder is treating as client money of A in accordance with FCA rules, the SRA Accounts Rules 2011 or an equivalent regime; or
- (d) the FSCS is otherwise satisfied that A is absolutely entitled to the *eligible deposit* taking into account any information that the FSCS considers relevant.