

To the Hon Clare Christian, President of Tynwald and the Hon Council and Keys in Tynwald assembled

1. Title of measure

Depositors' Compensation Scheme (Amendment) Regulations 2016.

2. Changes in policy

These Regulations restrict the application of the depositors' compensation scheme to depositors with Class 1(1) licenceholders.

3. Effects of the measure

These Regulations amend the Depositors' Compensation Scheme Regulations 2010 to reflect the sub-division of Class 1 Deposit Taking regulated activity into three separate sub-classes of activity, of which only Class 1(1) will be subject to the depositors' compensation scheme.

The Regulations also substitute a new Schedule to the principal regulations due to the surrender of the licences of The Co-operative Bank plc and Coutts & Co (Manx) Limited.

4. Reasons for the measure

The measure supports changes to the Regulated Activities Order 2011 that reflects Government's wish to provide new 'non-retail' banking options for corporate clients and some very high net worth individuals, greater flexibility of ownership for such banks, and licensing of representative offices of foreign banks.

5. Legal Powers or Legal Advice obtained

The Regulations are made by the Treasury under section 25 of the Financial Services Act 2008.

6. Resource implications

No resource implications are envisaged.

7. Tynwald procedure

The Regulations are laid before Tynwald for approval. The Tynwald procedure is specified in section 45(1) of the Financial Services Act 2008.

8. Change in Fees

Not applicable.