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SCHEDULES

SCHEDULE 10

AMENDMENTS CONSEQUENTIAL ON PART I

PART II

AMENDMENTS OF OTHER ENACTMENTS

Banking Act 1987 (c. 22)

37 (1) The Banking Act 1987 is amended as follows.

(2) In section 46(2) (duties of auditor of authorised institution), in paragraph (c) for "section 236" substitute "section 235(2)" and for "section 237" substitute "section 235(3) or section 237"; and in section 46(4) (adaptation of references for Northern Ireland) for "236 and 237" substitute "235(2) and 235(3) and 237".

(3) After section 105 insert—

"**105A Meaning of "related company"**

(1) In this Act a "related company", in relation to an institution or the holding company of an institution, means a body corporate (other than a subsidiary) in which the institution or holding company holds a qualifying capital interest.

(2) A qualifying capital interest means an interest in relevant shares of the body corporate which the institution or holding company holds on a long-term basis for the purpose of securing a contribution to its own activities by the exercise of control or influence arising from that interest.

(3) Relevant shares means shares comprised in the equity share capital of the body corporate of a class carrying rights to vote in all circumstances at general meetings of the body.

(4) A holding of 20 per cent. or more of the nominal value of the relevant shares of a body corporate shall be presumed to be a qualifying capital interest unless the contrary is shown.

(5) In this paragraph "equity share capital" has the same meaning as in the Companies Act 1985 and the Companies (Northern Ireland) Order 1986.'".

(4) In section 106(1) (interpretation), for the definition of "related company" substitute—

""related company" has the meaning given by section 105A above;".