



# Further and Higher Education Act 1992

## 1992 CHAPTER 13

### PART II

#### HIGHER EDUCATION

##### *Institutions in the higher education sector*

#### **71 Higher education corporations: constitution and conduct.**

(1) After section 124 of the <sup>M1</sup>Education Reform Act 1988 there is inserted—

**“124A Constitution and conduct of corporations.**

- (1) For each higher education corporation established on or after the appointed day there shall be an instrument (to be known as the instrument of government) providing for the constitution of the corporation and making such other provision as is required under this section.
- (2) The initial instrument of government of a higher education corporation established on or after that day shall be such as is prescribed by an order of the Privy Council.
- (3) An order of the Privy Council may—
  - (a) make an instrument of government of any higher education corporation with respect to which Schedule 7 to this Act has effect or make a new instrument of government of any higher education corporation in place of the instrument prescribed under subsection (2) above; or
  - (b) modify an instrument made in pursuance of this subsection.
- (4) An instrument of government of a higher education corporation—
  - (a) shall comply with the requirements of Schedule 7A to this Act; and
  - (b) may make any provision authorised to be made by that Schedule and such other provision as may be necessary or desirable.

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- (5) An order under subsection (2) or (3) above may make such provision as appears to the Privy Council necessary or desirable to secure continuity in the government of the institution or institutions to which it relates.
- (6) The validity of any proceedings of a higher education corporation for which an instrument of government has effect, or of any committee of such a corporation, shall not be affected by a vacancy amongst the members or by any defect in the appointment or nomination of a member.
- (7) Every document purporting to be an instrument made or issued by or on behalf of a higher education corporation for which an instrument of government has effect and to be duly executed under the seal of the corporation, or to be signed or executed by a person authorised by the corporation to act in that behalf, shall be received in evidence and be treated, without further proof, as being so made or issued unless the contrary is shown.
- (8) In relation to a higher education corporation for which an instrument of government has effect the members of the corporation for the time being shall be known as the board of governors of the institution conducted by the corporation.
- (9) The Secretary of State may by order amend or repeal any of paragraphs 3 to 5 and 11 of Schedule 7A to this Act.
- (10) In this section and section 124C “the appointed day” means the day appointed under section 94 of the Further and Higher Education Act 1992 for the commencement of section 71 of that Act.

#### **124B Accounts.**

- (1) It shall be the duty of each corporation—
  - (a) to keep proper accounts and proper records in relation to the accounts; and
  - (b) to prepare in respect of each financial year of the corporation a statement of accounts.
- (2) The statement shall—
  - (a) give a true and fair account of the state of the corporation’s affairs at the end of the financial year and of the corporation’s income and expenditure in the financial year; and
  - (b) comply with any directions given by the higher education funding council as to the information to be contained in the statement, the manner in which the information is to be presented or the methods and principles according to which the statement is to be prepared.
- (3) The corporation shall supply a copy of the statement to any person who asks for it and, if the corporation so requires, pays a fee of such amount not exceeding the cost of supply as the corporation thinks fit.
- (4) The accounts (including any statement prepared under this section) shall be audited by persons appointed in respect of each financial year by the corporation.

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- (5) The corporation shall consult, and take into account any advice given by, the Audit Commission for Local Authorities and the National Health Service in England and Wales before appointing any auditor under subsection (4) above in respect of their first financial year.
- (6) No person shall be qualified to be appointed auditor under that subsection except—
- (a) an individual, or firm, eligible for appointment as a company auditor under section 25 of the Companies Act 1989;
  - (b) a member of the Chartered Institute of Public Finance and Accountancy; or
  - (c) a firm each of the members of which is a member of that institute.
- (7) In this section, in relation to a corporation—
- “the first financial year” means the period commencing with the date on which the corporation is established and ending with the second 31st March following that date; and
  - “financial year” means that period and each successive period of twelve months.

#### **124C Initial and transitional arrangements.**

- (1) The Secretary of State shall be the appointing authority in relation to the appointment of the first members of a corporation established on or after the appointed day and, in determining the number of members to appoint within each variable category of members, he shall secure that at least half of all the members of the corporation as first constituted are independent members.
- (2) In subsection (1) above “variable category of members” and “independent members” have the same meaning as in Schedule 7A to this Act.
- (3) The following provisions apply where an instrument of government is made under section 124A of this Act for a higher education corporation with respect to which Schedule 7 to this Act has effect.
- (4) The instrument shall apply, subject to subsection (5) below, as if the persons who, immediately before its coming into effect, were the members of the corporation had been appointed in accordance with the instrument for the residue of the term of their then subsisting appointment.
- (5) Any local authority nominee, teacher nominee, general staff nominee or student nominee (within the meaning, in each case, of Schedule 7 to this Act) shall cease to hold office.

#### **124D Exercise of Powers by Privy Council.**

- (1) This section applies in relation to the exercise of powers for the purposes of this Part of this Act.
- (2) A power vested in the Privy Council may be exercised by any two or more of the lords and others of the Council.
- (3) An act of the Privy Council shall be sufficiently signified by an instrument signed by the clerk of the Council.

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- (4) An order or act signified by an instrument purporting to be signed by the clerk of the Council shall be deemed to have been duly made or done by the Privy Council.
- (5) An instrument so signed shall be received in evidence in all courts and proceedings without proof of the authority or signature of the clerk of the Council or other proof.”
- (2) In section 125 of that Act (articles of government) for “the Secretary of State” (in each place where it appears) there is substituted “ the Privy Council ”; but nothing in this subsection requires further approval to be given for anything approved by the Secretary of State under that section before the commencement of this subsection.
- (3) In Schedule 7 to that Act (constitution of higher education corporations)—
- (a) at the end of paragraph 7 (appointments) there is added—
- “(8) If the number of independent members of the corporation falls below the number needed in accordance with its articles of government for a quorum, the Secretary of State is the appointing authority in relation to the appointment of such number of independent members as is required for a quorum”, and
- (b) in paragraph 18 (accounts) after sub-paragraph (2) there is inserted—
- “(2A) The corporation shall supply a copy of the statement to any person who asks for it and, if the corporation so requires, pays a fee of such amount not exceeding the cost of supply as the corporation thinks fit.”
- (4) After that Schedule there is inserted the Schedule set out in Schedule 6 to this Act.

#### Commencement Information

**II** S. 71 wholly in force at 6.5.1992 see s. 94(3) and [S.I. 1992/831, art. 2, Sch. 1](#)

#### Marginal Citations

**M1** [1988 c. 40.](#)

## 72 Further power of designation.

- (1) In section 129 of the <sup>M2</sup>Education Reform Act 1988 (designation of institutions)—
- (a) for subsections (1) and (2) there is substituted—
- “(1) The Secretary of State may by order designate as an institution eligible to receive support from funds administered by a higher education funding council—
- (a) any institution which appears to him to fall within subsection (2) below; and
- (b) any institution which is, or is to be, conducted by a successor company to a higher education corporation.
- (2) An institution falls within this subsection if its full-time equivalent enrolment number for courses of higher education exceeds 55 per cent. of its total full-time equivalent enrolment number”, and
- (b) subsections (3) and (4) of that section are omitted.

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- (2) An order in force immediately before the commencement of subsection (1) above designating an institution as falling within subsection (3) of that section shall have effect as if made under that section as amended by subsection (1) above.
- (3) In this Part of this Act “designated institution” means an institution in relation to which a designation made, or having effect as if made, under section 129 of that Act has effect.

#### Commencement Information

**I2** S. 72 wholly in force at 6.5.1992 see s. 94(3) and [S.I. 1992/831, art. 2, Sch. 1](#)

#### Marginal Citations

**M2** 1988 c. 40.

### 73 Government and conduct of designated institutions.

- (1) After section 129 of the <sup>M3</sup>Education Reform Act 1988 there is inserted—

#### “129A Government and conduct of designated institutions.

- (1) This section has effect in relation to any designated institution, other than an institution conducted by a company.
- (2) For each such institution there shall be—
  - (a) an instrument providing for the constitution of a governing body of the institution (to be known as the instrument of government); and
  - (b) an instrument in accordance with which the institution is to be conducted (to be known as the articles of government),each of which meets the requirements of subsection (3) below.
- (3) Those requirements are that the instrument—
  - (a) was in force when the designation took effect; or
  - (b) is made in pursuance of a power under a regulatory instrument, or is made under subsection (5) below,and is approved for the purposes of this section by the Privy Council.
- (4) In this section “regulatory instrument”, in relation to an institution, means any instrument of government or articles of government and any other instrument relating to or regulating the institution.
- (5) Where there is no such power as is mentioned in subsection (3)(b) above to make the instrument, it may be made by the body of persons responsible for the management of the institution and an instrument made by them under this subsection may replace wholly or partly any existing regulatory instrument.
- (6) If an instrument approved by the Privy Council for the purposes of this section—
  - (a) falls within subsection (3)(a) above or was made in pursuance of a power under a regulatory instrument and, apart from this section, there is no power to modify it; or

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- (b) was made by the body of persons responsible for the management of the institution,  
the instrument may be modified by those persons.
- (7) Either of the instruments referred to in subsection (2) above may be modified by order of the Privy Council and no instrument approved by the Privy Council for the purposes of this section may be modified by any other person without the Privy Council's consent.
- (8) Before exercising any power under subsection (7) above in relation to any instrument the Privy Council shall consult—
  - (a) the governing body of the institution, and
  - (b) where there is such a power as is mentioned in subsection (3)(b) above to modify the instrument and the persons having that power are different from the governing body of the institution, the persons having the power,  
so far as it appears to them to be practicable to do so.
- (9) Nothing in this section requires further approval for any instrument approved by the Secretary of State for the purposes of section 156 of this Act, and references in this section to instruments approved by the Privy Council for the purposes of this section include instruments so approved by the Secretary of State.
- (10) In this section and section 129B “designated institution” means an institution in relation to which a designation made, or having effect as if made, under section 129 of this Act has effect but does not include any institution established by Royal Charter.

### **129B Designated institutions conducted by companies.**

- (1) This section has effect in relation to any designated institution conducted by a company.
- (2) The articles of association of the company shall incorporate—
  - (a) provision with respect to the constitution of a governing body of the institution (to be known as the instrument of government of the institution); and
  - (b) provision with respect to the conduct of the institution (to be known as the articles of government of the institution).
- (3) The Privy Council may give to the persons who appear to them to have effective control over the company such directions as they think fit for securing that—
  - (a) the memorandum or articles of association of the company; or
  - (b) any rules or bye-laws made in pursuance of any power conferred by the articles of association of the company,  
are amended in such manner as they may specify in the direction.
- (4) No amendment of the memorandum or articles of association of the company (other than one required under subsection (3)(a) above) shall take effect until it has been submitted to the Privy Council for their approval and they have notified their approval to the company.

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- (5) Before giving any directions under subsection (3) above the Privy Council shall consult the persons who appear to them to have effective control over the company.”
- (2) Section 156 of that Act (government and conduct of certain further and higher education institutions) shall cease to have effect in relation to designated institutions.

#### Commencement Information

I3 S .73 wholly in force at 6.5.1992 see s. 94(3) and S.I. 1992/831, art. 2, Sch. 1

#### Marginal Citations

M3 1988 c. 40.

## 74 Transfer of further education institutions to higher education sector.

- (1) After section 122 of the <sup>M4</sup>Education Reform Act 1988 (orders incorporating higher education institutions maintained by [<sup>F1</sup>local authorities]) there is inserted—

### “122A Orders transferring further education corporations to higher education sector.

- (1) The Secretary of State may by order provide for the transfer of a further education corporation to the higher education sector if it appears to him that the full-time equivalent enrolment number of the institution conducted by the corporation for courses of higher education exceeds 55 per cent. of its total full-time equivalent enrolment number.
- (2) Where an order under this section is made in respect of a further education corporation, sections 124A and 125 of this Act shall have effect as if—
- on the date the order has effect, the corporation were established as a higher education corporation, and
  - the Secretary of State were the appointing authority in relation to the first members of the higher education corporation.
- (3) In determining in pursuance of subsection (2)(b) above the number of members to appoint within each variable category of members, the Secretary of State shall secure that at least half of all the members of the higher education corporation as first constituted are independent members; and in this subsection “variable category of members” and “independent members” have the same meaning as in Schedule 7A to this Act.
- (4) On such date as may be specified in the order the corporation shall cease to be a further education corporation and become a higher education corporation and any member of the further education corporation who is not re-appointed by the Secretary of State in pursuance of subsection (2)(b) above shall cease to hold office on that date.”
- (2) An order under section 129 of the <sup>M5</sup>Education Reform Act 1988 (designation of institutions for the purposes of the higher education sector) in respect of any institution may revoke any order in respect of that institution under section 28 of this Act.

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#### Textual Amendments

- F1** Words in Act substituted (5.5.2010) by [The Local Education Authorities and Children's Services Authorities \(Integration of Functions\) Order 2010 \(S.I. 2010/1158\)](#), [Sch. 2 para. 5\(2\)](#)

#### Commencement Information

- I4** S. 74 wholly in force at 1.4.1993 see s. 94(3) and [S.I. 1992/831](#), [art. 2](#), [Sch. 3](#)

#### Marginal Citations

- M4** [1988 c. 40.](#)  
**M5** [1988 c. 40.](#)

## 75 Variation of trust deeds.

In section 157 of the <sup>M6</sup>Education Reform Act 1988 (variation of trust deeds, etc.) for subsections (1) to (3) (variations by Secretary of State in connection with institutions in the higher education sector or designated assisted institutions) there is substituted—

- “(1) An order of the Privy Council may modify any trust deed or other instrument—
- (a) relating to or regulating any such institution as is mentioned in subsection (2) below; or
  - (b) relating to any land or other property held by any person for the purposes of any such institution.
- (2) The institutions referred to in subsection (1) above are—
- (a) any institution conducted by a higher education corporation; and
  - (b) any institution in relation to which a designation made, or having effect as if made, under section 129 of this Act has effect, other than an institution established by Royal Charter.
- (3) Before making any modifications under subsection (1) above of any trust deed or other instrument the Privy Council shall so far as it appears to them to be practicable to do so consult—
- (a) the governing body of the institution;
  - (b) where that deed or instrument, or any other instrument relating to or regulating the institution concerned, confers power on any other persons to modify or replace that deed or instrument, those persons; and
  - (c) where the instrument to be modified is a trust deed and the trustees are different from the persons mentioned in paragraphs (a) and (b) above, the trustees.”

#### Modifications etc. (not altering text)

- C1** S. 75(3)(a) modified (1.4.1993) by [S.I. 1993/563](#), [art. 2](#), [Sch.2](#)

#### Commencement Information

- I5** S. 75 wholly in force at 6.5.1992 see s. 94(3) and [S.I. 1992/831](#), [art. 2](#), [Sch. 1](#)

#### Marginal Citations

- M6** [1988 c. 40.](#)



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## 76 Power to award degrees, etc.

(1) The Privy Council may by order

[<sup>F2</sup>(a) specify any institution which provides higher education as competent to grant in pursuance of this section either or both of the kinds of award mentioned in subsection (2)(a) and (b) below][<sup>F3</sup>;

(b) specify any institution in England within the further education sector as competent to grant in pursuance of this section an award of the kind mentioned in subsection (2A) below.]

(2) The kinds of award referred to in [<sup>F4</sup>subsection (1)(a)] above are—

(a) awards granted to persons who complete an appropriate course of study and satisfy an appropriate assessment, and

(b) awards granted to persons who complete an appropriate programme of supervised research and satisfy an appropriate assessment,

and in this section “award” means any degree, diploma, certificate or other academic award or distinction and “assessment” includes examination and test.

[<sup>F5</sup>(2A) The kind of award referred to in subsection (1)(b) above is a foundation degree granted to persons who complete an appropriate course of study and satisfy an appropriate assessment.]

[<sup>F6</sup>(2B) Where the Privy Council is considering whether to make an order under subsection (1) above specifying an institution as mentioned in subsection (1)(b) above, the Privy Council may not make the order unless—

(a) the institution gives the Privy Council a statement setting out what it proposes to do as regards making arrangements for securing that any person granted an award under or by virtue of any power that would be conferred on the institution if the order were made (other than the power described in subsection (4A) below) has an opportunity to progress to one or more particular courses of more advanced study, and

(b) the Privy Council considers that the proposals are satisfactory and are likely to be carried out.]

(3) An institution for the time being specified in such an order may grant any award of a kind mentioned in subsection (2)(a) or (b) [<sup>F7</sup>or (2A)] above which it is competent to grant by virtue of the order to persons who complete the appropriate course of study or, as the case may be, programme of supervised research on or after the date specified in the order.

(4) An institution specified in such an order [<sup>F8</sup>as competent to grant in pursuance of this section either or both of the kinds of award mentioned in subsection (2)(a) or (b) above] may also—

(a) grant honorary degrees, and

(b) grant degrees to members of the academic and other staff of the institution.

[<sup>F9</sup>(4A) An institution specified in such an order as competent to grant in pursuance of this section the kind of award mentioned in subsection (2A) above may also—

(a) grant honorary foundation degrees, and

(b) grant foundation degrees to members of the academic and other staff of the institution.]

(5) [<sup>F10</sup>Subject to subsection (5A) below, any] power conferred on an institution to grant awards in pursuance of this section includes power—

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- (a) to authorise other institutions to do so on behalf of the institution,
- (b) to do so jointly with another institution, and
- (c) to deprive any person of any award granted to him by or on behalf of the institution in pursuance of this section (or, in the case of an award granted to him by the institution and another institution jointly, to do so jointly with the other institution).

[<sup>F11</sup>(5A) An order under subsection (1) above specifying an institution as competent to grant in pursuance of this section only the kind of award mentioned in subsection (2A) above may provide that the institution's power to grant such awards does not include the power described in subsection (5)(a) above.]

- (6) [<sup>F12</sup>Subject to subsection (6A) below, it] shall be for the institution to determine in accordance with any relevant provisions of the instruments relating to or regulating the institution the courses of study or programmes of research, and the assessments, which are appropriate for the grant of any award and the terms and conditions on which any of the powers conferred under this section may be exercised.

[<sup>F13</sup>(6A) An order under subsection (1) above specifying an institution as competent to grant in pursuance of this section only the kind of award mentioned in subsection (2A) above may provide that the institution is not to grant such an award to a person unless he was enrolled at the institution at the time he completed the course of study for which the award is granted.]

- (7) Section 124D of the <sup>M7</sup>Education Reform Act 1988 applies in relation to orders under subsection (1) above as it applies in relation to the exercise of powers for the purposes of Part II of that Act.

#### Textual Amendments

- F2** S. 76(1)(a) renumbered (1.5.2008) by [Further Education and Training Act 2007 \(c. 25\), ss. 19\(2\)\(a\), 32\(5\); S.I. 2007/3505, art. 6](#)
- F3** S. 76(1)(b) and preceding semi-colon inserted (1.5.2008) by [Further Education and Training Act 2007 \(c. 25\), ss. 19\(2\)\(b\), 32\(5\); S.I. 2007/3505, art. 6](#)
- F4** Words in s. 76(2) substituted (1.5.2008) by [Further Education and Training Act 2007 \(c. 25\), ss. 19\(3\), 32\(5\); S.I. 2007/3505, art. 6](#)
- F5** S. 76(2A) inserted (1.5.2008) by [Further Education and Training Act 2007 \(c. 25\), ss. 19\(4\), 32\(5\); S.I. 2007/3505, art. 6](#)
- F6** S. 76(2B) inserted (1.5.2008) by [Further Education and Training Act 2007 \(c. 25\), ss. 19\(5\), 32\(5\); S.I. 2007/3505, art. 6](#)
- F7** Words in s. 76(3) inserted (1.5.2008) by [Further Education and Training Act 2007 \(c. 25\), ss. 19\(6\), 32\(5\); S.I. 2007/3505, art. 6](#)
- F8** Words in s. 76(4) inserted (1.5.2008) by [Further Education and Training Act 2007 \(c. 25\), ss. 19\(7\), 32\(5\); S.I. 2007/3505, art. 6](#)
- F9** S. 76(4A) inserted (1.5.2008) by [Further Education and Training Act 2007 \(c. 25\), ss. 19\(8\), 32\(5\); S.I. 2007/3505, art. 6](#)
- F10** Words in s. 76(5) substituted (1.5.2008) by [Further Education and Training Act 2007 \(c. 25\), ss. 19\(9\), 32\(5\); S.I. 2007/3505, art. 6](#)
- F11** S. 76(5A) inserted (1.5.2008) by [Further Education and Training Act 2007 \(c. 25\), ss. 19\(10\), 32\(5\); S.I. 2007/3505, art. 6](#)
- F12** Words in s. 76(6) substituted (1.5.2008) by [Further Education and Training Act 2007 \(c. 25\), ss. 19\(11\), 32\(5\); S.I. 2007/3505, art. 6](#)

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**F13** S. 76(6A) inserted (1.5.2008) by [Further Education and Training Act 2007 \(c. 25\)](#), **ss. 19(12), 32(5)**; [S.I. 2007/3505](#), art. 6

#### Commencement Information

**I6** S. 76 wholly in force at 6.5.1992 see s. 94(3) and [S.I. 1992/831](#), art. 2, **Sch. 1**

#### Marginal Citations

**M7** [1988 c. 40](#).

## 77 Use of “university” in title of institution.

(1) Where—

(a) power is conferred by any enactment or instrument to change the name of any educational institution or any body corporate carrying on such an institution, and

(b) the educational institution is within the higher education sector,

then, if the power is exercisable with the consent of the Privy Council, it may (whether or not the institution would apart from this section be a university) be exercised with the consent of the Privy Council so as to include the word “university” in the name of the institution and, if it is carried on by a body corporate, in the name of the body.

(2) The reference in subsection (1) above to a power to change the name of an institution or body includes any power (however expressed and whether or not subject to any conditions or restrictions) in the exercise of which the name of the institution or body may be changed; but the power as extended by that subsection has effect subject to any such conditions or restrictions.

(3) In exercising any power exercisable by virtue of this section to consent to a change in any name the Privy Council shall have regard to the need to avoid names which are or may be confusing.

(4) Any educational institution whose name includes the word “university” by virtue of the exercise of any power as extended by subsection (1) above is to be treated as a university for all purposes [<sup>F14</sup>, unless in that name that word is immediately followed by the word “college” or “collegiate”.]

#### Textual Amendments

**F14** Words in s. 77(4) added (1.10.1998) by [1998 c. 30](#), **ss.40, 46(4)** (with s. 42(8)); [S.I. 1998/2215](#), art. 2

#### Commencement Information

**I7** S. 77 wholly in force at 6.5.1992 see s. 94(3) and [S.I. 1992/831](#), art. 2, **Sch. 1**

## 78 Financial years of higher education corporations.

(1) If the Secretary of State directs that any financial year specified in the direction of the higher education corporations, and subsequent financial years, are to begin with a date specified in the direction, then—

(a) the financial year of the corporations immediately preceding the year specified in the direction shall end immediately before the date specified in the direction, and

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(b) the financial year specified in the direction and subsequent financial years shall be each successive period of twelve months.

(2) Section 124B(7) of, and paragraph 18 of Schedule 7 to, the <sup>M8</sup>Education Reform Act 1988 (financial years) shall have effect subject to this section.

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**Commencement Information**

**I8** S. 78 wholly in force at 6.5.1992 see s. 94(3) and [S.I. 1992/831, art. 2, Sch. 1](#)

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**Marginal Citations**

**M8** 1988 c. 40.

**Status:**

Point in time view as at 05/05/2010.

**Changes to legislation:**

Further and Higher Education Act 1992, Cross Heading: Institutions in the higher education sector is up to date with all changes known to be in force on or before 10 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.