
STATUTORY INSTRUMENTS

1991 No. 2705

The Companies Act 1985 (Bank Accounts) Regulations 1991

Amendments of sections

3. The following sections are inserted into Part VII of the 1985 Act in place of sections 255 to 255B(1)–

“Banking and insurance companies and groups

Special provisions for banking and insurance companies.

255.—(1) A banking company shall prepare its individual accounts in accordance with Part I of Schedule 9 rather than Schedule 4.

(2) An insurance company may prepare its individual accounts in accordance with Part I of Schedule 9A rather than Schedule 4.

(3) Accounts so prepared shall contain a statement that they are prepared in accordance with the special provisions of this Part relating to banking companies or to insurance companies, as the case may be.

(4) In relation to the preparation of individual accounts in accordance with the special provisions of this Part, the references to Schedule 4 in section 226(4) and (5) (relationship between specific requirements and duty to give true and fair view) shall be read as references to the provisions of Part I of Schedule 9, in the case of the accounts of banking companies, or to the provisions of Part I of Schedule 9A, in the case of the accounts of insurance companies.

(5) The Secretary of State may, on the application or with the consent of the directors of an insurance company which prepares individual accounts in accordance with the special provisions of this Part relating to insurance companies, modify in relation to the company any of the requirements of this Part, other than the duty to give a true and fair view, for the purpose of adapting them to the circumstances of the company.

Special provisions for banking and insurance groups.

255A.—(1) The parent company of a banking group shall prepare group accounts in accordance with the provisions of this Part as modified by Part II of Schedule 9.

(2) The parent company of an insurance group may prepare group accounts in accordance with the provisions of this Part as modified by Part II of Schedule 9A.

(3) Accounts so prepared shall contain a statement that they are prepared in accordance with the special provisions of this Part relating to banking groups or to insurance groups, as the case may be.

(4) References in this Part to a banking group are to a group where –

- (a) the parent company is a banking company, or
- (b) the parent company:

- (i) does not itself carry on any material business apart from the acquisition, management and disposal of interests in subsidiary undertakings; and
 - (ii) its principal subsidiary undertakings are wholly or mainly banking companies. For the purposes of (b) the management of interests in subsidiary undertakings includes the provision of services to such undertakings, and a parent company's principal subsidiary undertakings are those subsidiary undertakings of the company whose results or financial position would principally affect the figures shown in the group accounts.
- (5) References in this Part to an insurance group are to a group where—
- (a) the parent company is an insurance company, or
 - (b) the predominant activity of the group is insurance business and activities which are a direct extension of or ancillary to insurance business.
- (6) In relation to the preparation of group accounts in accordance with the special provisions of this Part:
- (a) the references to the provisions of Schedule 4A in section 227(5) and (6) (relationship between specific requirements and duty to give true and fair view) shall be read as references to those provisions as modified by Part II of Schedule 9, in the case of the group accounts of a banking group, or Part II of Schedule 9A, in the case of the group accounts of an insurance group; and
 - (b) the reference to paragraphs 52 to 57 of Schedule 4 in section 230(2) (relief from obligation to comply with those paragraphs where group accounts prepared) shall be read as a reference to paragraphs 74 to 77, 80 and 81 of Part I of Schedule 9, in the case of the group accounts of a banking group.
- (7) The Secretary of State may, on the application or with the consent of the directors of a company which prepares group accounts in accordance with the special provisions of this Part relating to insurance groups, modify in relation to the company any of the requirements of this Part for the purpose of adapting them to the circumstances of the company.

Modification of disclosure requirements in relation to banking company or group.

255B.—(1) In relation to a banking company, or the parent company of a banking company, the provisions of Schedule 5 (Disclosure of information: related undertakings) have effect subject to Part III of Schedule 9.

(2) In relation to a banking company, or the parent company of a banking company, the provisions of Schedule 6 (Disclosure of information: emoluments and other benefits of directors and others) have effect subject to Part IV of Schedule 9.”