
STATUTORY INSTRUMENTS

1994 No. 1696

**The Insurance Companies (Third
Insurance Directives) Regulations 1994**

PART III

AMENDMENTS OF 1986 ACT

Powers of intervention

59.—(1) Section 64 of the 1986 Act (scope of powers of intervention) shall have effect in relation to an authorised person who is an EC company as if subsection (1)(b) (fitness to carry on investment business) were omitted.

(2) Section 65 of that Act (restriction of business) shall have effect as if it included provision that—

- (a) where it appears to the Board that its power to impose a prohibition under that section is exercisable in relation to an EC company, the Board shall require the company to remedy the situation;
 - (b) if the company fails to comply with the requirement under paragraph (a) above within a reasonable time, the Board shall give a notice to that effect to the supervisory authority in the company's home State requesting that authority—
 - (i) to take all appropriate measures for the purpose of ensuring that the company remedies the situation which has given rise to the issue of the notice; and
 - (ii) to inform the Board of the measures it proposes to take or has taken or the reasons for not taking such measures;
 - (c) subject to paragraph (d) below, the Board shall not impose a prohibition under that section on the company unless it is satisfied—
 - (i) that the supervisory authority has failed or refused to take measures for the purpose mentioned in sub-paragraph (i) of paragraph (b) above; or
 - (ii) that the measures taken by that authority have proved inadequate for that purpose, and it has informed that authority of its intention to do so;
 - (d) where the Board decides that it should impose a prohibition under that section on an EC company as a matter of urgency in order to protect the interests of investors, the Board may take action—
 - (i) before complying with paragraphs (a) and (b) above; or
 - (ii) where it has complied with those paragraphs, before it is satisfied, and has informed the supervisory authority, as mentioned in paragraph (c) above;
 - (e) where the Board imposes a prohibition under that section on an EC company, the Board shall inform the company in writing of its reasons for doing so.
- (3) In this regulation “the Board” means The Securities and Investments Board.