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STATUTORY INSTRUMENTS

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**1994 No. 233**

**COMPANIES**

**The Companies Act 1985 (Bank Accounts) Regulations 1994**

<i>Made</i>	- - - -	<i>2nd February 1994</i>
<i>Laid before Parliament</i>		<i>7th February 1994</i>
<i>Coming into force</i>		
<i>Regulations 1, 2, 4 and 7</i>		<i>11th February 1994</i>
<i>Remainder</i>		<i>28th February 1994</i>

The Secretary of State, in exercise of the powers conferred on him by section 257 of the Companies Act 1985(1) and of all other powers enabling him in that behalf, hereby makes the following Regulations:

**Citation, commencement and interpretation**

1.—(1) These Regulations may be cited as the Companies Act 1985 (Bank Accounts) Regulations 1994.

(2) This regulation and regulations 2, 4 and 7 shall come into force on 11th February 1994, and the remainder of the regulations shall come into force on 28th February 1994.

2. In these Regulations “the 1985 Act” means the Companies Act 1985.

**Amendment of section 255B**

3. Section 255B of the 1985 Act(2) is amended by the substitution, in subsection (2), of the words “holding company of a credit institution” for the words “parent company of a banking company”.

**Amendment of Schedule 9 etc**

4.—(1) In paragraph 82 in Part I of Schedule 9 to the 1985 Act (general interpretation)(3), the definitions of “Banking activities” and “Banking transactions” are hereby repealed.

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(1) 1985 c. 6; section 257 was inserted into the 1985 Act by section 20 of the Companies Act 1989 (c. 40).  
(2) Section 255B was inserted into the 1985 Act (in place of that inserted by section 18 of the Companies Act 1989) by regulation 3 of the Companies Act 1985 (Bank Accounts) Regulations 1991 (S.I. 1991/2705). Section 255B(1) was amended by regulation 6 of the Companies Act 1985 (Disclosure of Branches and Bank Accounts) Regulations 1992 (S.I. 1992/3178).  
(3) New Parts I to III of Schedule 9 were inserted by regulation 5(4) of, and Schedule 1 to, the Companies Act 1985 (Bank Accounts) Regulations 1991.

(2) In consequence of paragraph (1) above, in the index of defined expressions set out in section 262A of the 1985 Act<sup>(4)</sup>, the entries relating to the expressions “banking activities” and “banking transactions” are hereby repealed.

5.—(1) Part IV of Schedule 9 to the 1985 Act (additional disclosure: emoluments and other benefits of directors and others)<sup>(5)</sup> is amended as follows.

(2) In paragraph 1, for the words “the holding company of such a company” there shall be substituted the words “the holding company of a credit institution”.

(3) For paragraph 2 there shall be substituted—

“2. Where a banking company, or a company which is the holding company of a credit institution, prepares annual accounts for a financial year, it need not comply with the provisions of Part II of Schedule 6 (loans, quasi-loans and other dealings) in relation to a transaction or arrangement of a kind mentioned in section 330, or an agreement to enter into such a transaction or arrangement, to which that banking company or (as the case may be) credit institution is a party.”

(4) In sub-paragraph (1) of paragraph 3, for the words from the beginning to “that banking company for—” there shall be substituted the words “Where a banking company, or a company which is the holding company of a credit institution, takes advantage of the provisions of paragraph 2 of this Part of this Schedule for the purposes of its annual accounts for a financial year, then, in preparing those accounts, it shall comply with the provisions of Part III of Schedule 6 (other transactions, arrangements and agreements) only in relation to a transaction, arrangement or agreement made by that banking company or (as the case may be) credit institution for—”.

(5) In paragraph 3(4) and (5), for the word “company” there shall be substituted the words “body corporate”.

### **Consequential amendment of section 343 etc**

6.—(1) Section 343 of the 1985 Act (record of transactions not disclosed in company accounts)<sup>(6)</sup> is amended in accordance with paragraphs (2) to (4) below.

(2) In paragraph (a) of subsection (1), for the words “, or is the holding company of, a banking company,” there shall be substituted the words “a banking company, or is the holding company of a credit institution,”.

(3) For subsection (2) there shall be substituted—

“(2) Where such a company takes advantage of the provisions of paragraph 2 of Part IV of Schedule 9 in relation to a financial year, that company shall keep a register containing a copy of every transaction, arrangement or agreement of which particulars would, but for that paragraph, be required to be disclosed in the company’s accounts or group accounts for that financial year and for each financial year in the preceding 10 in relation to which the company has taken advantage of the provisions of that paragraph.”.

(4) For subsection (4) there shall be substituted—

“(4) Where such a company takes advantage of the provisions of paragraph 2 of Part IV of Schedule 9 in relation to the last complete financial year preceding its annual general meeting, that company shall before that meeting make available at its registered office for not less than 15 days ending with the date of the meeting a statement containing the particulars of transactions, arrangements and agreements which the company would, but for

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(4) Section 262A was inserted into the 1985 Act by section 22 of the Companies Act 1989, and was amended by paragraph 3 of Schedule 2 to the Companies Act 1985 (Bank Accounts) Regulations 1991 and by paragraph 5 of Schedule 2 to the Companies Act 1985 (Insurance Companies Accounts) Regulations 1993 (S.I. 1993/3246).

(5) Part IV of Schedule 9 was inserted by section 18(3) and (4) of, and Schedule 7 to, the Companies Act 1989.

(6) Section 343 was amended by section 23 of, and paragraphs 10 and 11 of Schedule 10 to, the Companies Act 1989.

that paragraph, be required to disclose in its accounts or group accounts for that financial year.”.

(5) In consequence of paragraphs (1) to (4) above, the following provisions of Schedule 10 to the Companies Act 1989<sup>(7)</sup> are hereby repealed, that is to say—

- (a) in paragraph 10, the word “343(1)(a)”;
- and
- (b) paragraph 11.

### **Transitional provisions**

7. The directors of a company (including a body corporate, or unincorporated body of persons, to which Part VII of the 1985 Act is applied by virtue of any enactment, including any subordinate legislation within the meaning of section 21 of the Interpretation Act 1978<sup>(8)</sup>), may prepare annual accounts under Part VII of the 1985 Act for a financial year of the company commencing on a date prior to 23rd December 1992 as if the amendments effected by regulation 4 of these Regulations had not been made.

8. A company to which section 343 of the 1985 Act applied before it was amended by these Regulations shall be regarded, for the purposes of subsection (2) of that section as amended by these Regulations, as having taken advantage of the provisions of paragraph 2 of Part IV of Schedule 9 to the 1985 Act in relation to any financial year for which accounts were prepared under Part VII of that Act prior to its amendment by these Regulations.

*Neil Hamilton*  
Parliamentary Under-Secretary of State for  
Corporate Affairs,  
Department of Trade and Industry

2nd February 1994

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(7) 1989 c. 40.  
(8) 1978 c. 30.

*Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.*

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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

**1.** These Regulations amend the special provisions in Part VII of the Companies Act 1985 (“the 1985 Act”) applicable to the accounts of banking companies and groups.

**2.** Regulations 3 and 5 amend section 255B of, and Part IV of Schedule 9 to, the 1985 Act to extend the provisions relating to companies which are holding companies of banking companies, to companies which are holding companies of credit institutions (as defined in section 262 of the 1985 Act). Part IV is also amended so that companies to which it applies can if they so wish comply with Schedule 6 to the 1985 Act for the purposes of their accounts for a financial year, without the special adaptations made by Part IV of Schedule 9. Regulation 6 amends section 343 of the 1985 Act consequentially upon the amendments to Part IV and makes consequential repeals in Schedule 10 to the Companies Act 1989.

**3.** Regulation 4 repeals the definitions of “Banking activities” and “Banking transactions” in Part I of Schedule 9 to the 1985 Act, so as to align the provisions of that Part of the Schedule more closely with the provisions of the Bank Accounts Directive ([86/635/EEC](#), O.J. No. L372 of 31.12.1986, pages 1-17).

**4.** Regulations 7 and 8 contain transitional provisions.

**5.** A Compliance Cost Assessment is available, copies of which have been placed in the libraries of both Houses of Parliament. Copies are also available from the Companies Division of the Department of Trade and Industry, Room 519 10-18 Victoria Street, London SW1H 0NN.