
STATUTORY INSTRUMENTS

1992 No. 3178

COMPANIES

**The Companies Act 1985 (Disclosure of
Branches and Bank Accounts) Regulations 1992**

Made - - - - 13th December 1992

Coming into force - - 1st January 1993

The Secretary of State, in exercise of the powers conferred on him by section 257 of the Companies Act 1985⁽¹⁾ and all other powers enabling him in that behalf, hereby makes the following Regulations of which a draft has been laid before Parliament in accordance with section 257(2) of that Act and approved by resolution of each House of Parliament.

Citation and Interpretation

1. These Regulations may be cited as the Companies Act 1985 (Disclosure of Branches and Bank Accounts) Regulations 1992 and shall come into force on 1st January 1993.
2. In these Regulations “the 1985 Act” means the Companies Act 1985.

AMENDMENTS OF THE 1985 ACT

Disclosure of branches

3. Schedule 7 to the 1985 Act is amended by inserting at the end of paragraph 6(c)—
“, and

(d) (unless the company is an unlimited company) and indication of the existence of branches (as defined in section 698(2)) of the company outside the United Kingdom”⁽²⁾

and by omitting the word “and” at the end of paragraph 6(b).

⁽¹⁾ 1985 c. 6, section 257 was inserted by section 20 of the Companies Act 1989 (1989 c. 40).

⁽²⁾ Section 698(2) will be inserted into the 1985 Act by paragraph 13 of Schedule 2 to the Oversea Companies and Credit and Financial Institutions (Branch Disclosure) Regulations 1992, S.I. 1992/3179.

Other amendments

4. Section 228 of the 1985 Act(3) is amended by inserting at the end of subsection (2)(b) the words “(where applicable as modified by the provisions of the Bank Accounts Directive 86/635/EEC)”.

5. Section 225A of the 1985 Act(4) is amended by the substitution, in subsection (4)(b)(ii), of the words “credit institutions” for the words “banking companies”.

6. Section 255B of the 1985 Act(5) is amended by the substitution, in subsection (1), of the words “parent company of a banking group” for the words “parent company of a banking company”.

7. Section 262 of the 1985 Act(6) is amended by the substitution, in subsection (1), of the following for the present definition of “credit institution”—

““credit institution” means a credit institution as defined in article 1 of the First Council Directive on the coordination of laws, regulations and administrative provisions relating to the taking up and pursuit of the business of credit institutions (77/780/EEC), that is to say an undertaking whose business is to receive deposits or other repayable funds from the public and to grant credits for its own account;”.

Transitional provisions

8. The directors of a company (including a body corporate, or unincorporated body or 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(7)):

- (a) need not comply with paragraph 6(d) of Schedule 7 to the 1985 Act (as inserted by regulation 3) in preparing a directors' report under section 234(8) of that Act for a financial year of the company commencing on a date prior to 1st January 1993; and
- (b) 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 to sections 255A, 255B and 262 of the 1985 Act effected by regulations 5, 6 and 7 had not been made.

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

13th December 1992

(3) Section 228 was inserted by section 5 of the Companies Act 1989.
(4) Section 225A is inserted into the 1985 Act by regulation 3 of the Companies Act 1985 (Bank Accounts) Regulations 1991 (S.I. 1991/2705), in place of an existing section of that number (itself inserted by section 18 of the Companies Act 1989).
(5) Section 225B is inserted into the 1985 Act by regulation 3 of the Companies Act 1985 (Bank Accounts) Regulations 1991 (S.I. 1991/2705), in place of an existing section of that number (itself inserted by section 18 of the Companies Act 1989).
(6) Section 262 is inserted into the 1985 Act by section 22 of the Companies Act 1989, in place of an existing section of that number.
(7) 1978 c. 30.
(8) As inserted by section 8 of the Companies Act 1989.

EXPLANATORY NOTE

(This note is not part of the Regulations)

1. The principal purpose of these Regulations is to implement Article 11 of the Eleventh Company Law Directive [89/666/EEC](#) (OJNo. L395 30.12.89, pp 36-39). In accordance with that provision, Regulation 3 amends Schedule 7 to the Companies Act 1985, which deal with the content of the directors' report which accompanies a company's annual accounts, by inserting into paragraph 6 an additional requirement, sub-paragraph (d), that the directors' report of a company (unless it is an unlimited company) contain an indication of the existence of any branches of the company outside the United Kingdom.

2. Regulation 4 makes a minor amendment to section 228 of the Companies Act 1985 so as to clarify that group accounts drawn up in accordance with the Seventh Directive as applied by the Bank Accounts Directive ([86/635/EEC](#), OJ No. L372 31.12.1986 pp 1-17) are acceptable for the purposes of the exemption conferred (subject to conditions) by that section from the requirement to prepare group accounts if the company is consolidated in the group accounts of an EC company.

3. Regulations 5 and 6 make two minor amendments to the special provisions of Part VII of the Companies Act 1985 applicable to the accounts of banking companies and groups, to align more closely the provisions with the Bank Accounts Directive.

4. Regulation 7 substitutes a new definition of "credit institution" into section 262 of the Companies Act 1985, reflecting the new definition to be introduced into Part XXIII of that Act by the Overseas Companies and Credit and Financial Institutions (Branch Disclosure) Regulations 1992 (S.I.[1992/3179](#)).

5. Regulation 8 set out the transitional arrangements.