

SCHEDULE 2

AMENDMENTS OF PART XXIII OF THE PRINCIPAL ACT

PART II

DELIVERY OF ACCOUNTS AND REPORTS

15. Chapter II of Part XXIII(1) shall be amended as mentioned in paragraphs 16 to 18 below.

16. After section 699A(2) there shall be inserted—

“Companies to which the Eleventh Company Law Directive applies.

699AA.—(1) This section applies to any limited company which—

- (a) is incorporated outside the United Kingdom and Gibraltar,
- (b) has a branch in Great Britain, and
- (c) is not an institution to which section 699A applies.

(2) Schedule 21D to this Act (delivery of accounts and reports) shall have effect in relation to any company to which this section applies.”

17. In section 699B(3), there shall be inserted at the end “or to any limited company which is incorporated outside the United Kingdom and Gibraltar and has a branch in the United Kingdom”.

18. After Schedule 21C there shall be inserted—

“SCHEDULE 21D

Section 699AA.

DELIVERY OF REPORTS AND ACCOUNTS: COMPANIES TO WHICH THE ELEVENTH COMPANY LAW DIRECTIVE APPLIES

PART I

COMPANIES REQUIRED TO MAKE DISCLOSURE UNDER PARENT LAW

Scope of Part

1. This Part of this Schedule applies to any company to which section 699AA applies which is required by its parent law to prepare, have audited and disclose accounts.

Duty to deliver copies in Great Britain

2.—(1) This paragraph applies in respect of each branch which a company to which this Part of this Schedule applies has in Great Britain.

(2) The company shall deliver to the registrar for registration in respect of the branch copies of all the accounting documents prepared in relation to a financial period of the company which are disclosed in accordance with its parent law on or after the end of the period allowed for

(1) Chapter II of Part XXIII was substituted for the existing chapter of that number by section 23 of, and paragraph 13 of Schedule 10 to, the 1989 Act.

(2) Section 699B is inserted by regulation 2 of these Regulations.

(3) Section 699A is inserted by regulation 2 of these Regulations.

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compliance in respect of the branch with paragraph 1 of Schedule 21A or, if earlier, the date on which the company complies with that paragraph in respect of the branch.

(3) Where the company's parent law permits it to discharge its obligation with respect to the disclosure of accounting documents by disclosing documents in a modified form, it may discharge its obligation under sub-paragraph (2) above by delivering copies of documents modified as permitted by that law.

(4) If any document, a copy of which is delivered under sub-paragraph (2) above, is in a language other than English, the company shall annex to the copy delivered a translation of it into English, certified in the prescribed manner to be a correct translation.

3. Paragraph 2 above shall not require documents to be delivered in respect of a branch if—
- (a) before the end of the period allowed for compliance with that paragraph, they are delivered in respect of another branch in the United Kingdom, and
 - (b) the particulars registered under Schedule 21A in respect of the branch indicate an intention that they are to be registered in respect of that other branch and include the details of that other branch mentioned in paragraph 4(b) of that Schedule.

Time for delivery

4. The period allowed for delivery, in relation to a document required to be delivered under paragraph 2, is 3 months from the date on which the document is first disclosed in accordance with the company's parent law.

Penalty for non-compliance

5.—(1) If a company fails to comply with paragraph 2 before the end of the period allowed for compliance, it, and every person who immediately before the end of that period was a director of it, is guilty of an offence and liable to a fine and, for continued contravention, to a daily default fine.

(2) It is a defence for a person charged with an offence under this paragraph to prove that he took all reasonable steps for securing compliance with paragraph 2.

Interpretation

6.—(1) In this Part of this Schedule—

“financial period”, in relation to a company, means a period for which the company is required or permitted by its parent law to prepare accounts;

“parent law”, in relation to a company, means the law of the country in which the company is incorporated;

and references to disclosure are to public disclosure.

(2) For the purposes of this Part of this Schedule, the following are accounting documents in relation to a financial period of a company—

- (a) the accounts of the company for the period, including, if it has one or more subsidiaries, any consolidated accounts of the group,
- (b) any annual report of the directors for the period,
- (c) the report of the auditors on the accounts mentioned in paragraph (a) above, and
- (d) any report of the auditors on the report mentioned in paragraph (b) above.

PART II

COMPANIES NOT REQUIRED TO MAKE DISCLOSURE UNDER PARENT LAW

Scope of Part

7. This Part of this Schedule applies to any company to which section 699AA applies which is not required by the law of the country in which it is incorporated to prepare, have audited and publicly disclose accounts.

Preparation of accounts and reports

8. A company to which this Part of this Schedule applies shall in respect of each financial year of the company prepare the like accounts and directors' report, and cause to be prepared such an auditors' report, as would be required if the company were a company to which section 700 applied.

9. Sections 223 to 225 apply to a company to which this Part of this Schedule applies subject to the following modifications—

- (a) for the references to the incorporation of the company there shall be substituted references to the company becoming a company to which this Part of this Schedule applies, and
- (b) section 225(4) shall be omitted.

Duty to deliver accounts and reports

10.—(1) A company to which this Part of this Schedule applies shall in respect of each financial year of the company deliver to the registrar copies of the accounts and reports prepared in accordance with paragraph 8.

(2) If any document comprised in those accounts or reports is in a language other than English, the company shall annex to the copy delivered a translation of it into English, certified in the prescribed manner to be a correct translation.

(3) A company required to deliver documents under this paragraph in respect of a financial year shall deliver them in respect of each branch which it has in Great Britain at the end of that year.

(4) Sub-paragraph (3) above is without prejudice to section 695A(3).

11. Paragraph 10 shall not require documents to be delivered in respect of a branch if—

- (a) before the end of the period allowed for compliance with that paragraph, they are delivered in respect of another branch in the United Kingdom, and
- (b) the particulars registered under paragraph 1 of Schedule 21A in respect of the branch indicate an intention that they are to be registered in respect of that other branch and include the details of that other branch mentioned in paragraph 4(b) of that Schedule.

Time for delivery

12.—(1) The period allowed for delivering accounts and reports under paragraph 10 is 13 months after the end of the relevant accounting reference period, subject to the following provisions of this paragraph.

(2) If the relevant accounting reference period is the company's first and is a period of more than 12 months, the period allowed is 13 months from the first anniversary of the company's becoming a company to which this Part of this Schedule applies.

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(3) If the relevant accounting reference period is treated as shortened by virtue of a notice given by the company under section 225, the period allowed is that applicable in accordance with the above provisions or 3 months from the date of the notice under that section, whichever last expires.

(4) If for any special reason the Secretary of State thinks fit he may, on an application made before the expiry of the period otherwise allowed, by notice in writing to a company to which this part of this Schedule applies extend that period by such further period as may be specified in the notice.

(5) In this paragraph “the relevant accounting reference period” means the accounting reference period by reference to which the financial year for the accounts in question was determined.

Penalty for non-compliance

13.—(1) If the requirements of paragraph 10 are not complied with before the end of the period allowed for delivering accounts and reports, or if the accounts and reports delivered do not comply with the requirements of this Act, the company and every person who immediately before the end of that period was a director of the company is guilty of an offence and liable to a fine and, for continued contravention, to a daily default fine.

(2) It is a defence for a person charged with such an offence to prove that he took all reasonable steps for securing that the requirements in question would be complied with.

(3) It is not a defence in relation to a failure to deliver copies to the registrar to prove that the documents in question were not in fact prepared as required by this Act.”