
STATUTORY INSTRUMENTS

1993 No. 3246

The Companies Act 1985 (Insurance Companies Accounts) Regulations 1993

Citation and interpretation

1.—(1) These Regulations may be cited as the Companies Act 1985 (Insurance Companies Accounts) Regulations 1993 and shall come into force on the day after the day on which they are made.

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

Insurance companies

2.—(1) In subsection (2) of section 255 of the 1985 Act⁽¹⁾ (special provisions for banking and insurance companies), for the word “may” there shall be substituted the word “shall”.

(2) Subsection (5) of that section shall be omitted.

Insurance groups

3.—(1) In subsection (2) of section 255A of the 1985 Act⁽²⁾ (special provisions for banking and insurance groups), for the word “may” there shall be substituted the word “shall”.

(2) For subsections (4) and (5) of that section there shall be substituted the following subsections—

“(4) References in this Part to a banking group are to a group where the parent company is a banking company or where—

- (a) the parent company’s principal subsidiary undertakings are wholly or mainly credit institutions, and
- (b) the parent company does not itself carry on any material business apart from the acquisition, management and disposal of interests in subsidiary undertakings.

(5) References in this Part to an insurance group are to a group where the parent company is an insurance company or where —

- (a) the parent company’s principal subsidiary undertakings are wholly or mainly insurance companies, and
- (b) the parent company does not itself carry on any material business apart from the acquisition, management and disposal of interests in subsidiary undertakings.

(5A) For the purposes of subsections (4) and (5) above—

(1) Section 255 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) (“the Bank Accounts Regulations”).

(2) Section 255A was inserted into the 1985 Act (in place of that inserted by section 18 of the Companies Act 1989) by regulation 3 of the Bank Accounts Regulations. Section 255A was amended by regulation 5 of the Companies Act 1985 (Disclosure of Branches and Bank Accounts) Regulations 1992 (S.I. 1992/3178).

- (a) a parent company's principal subsidiary undertakings are the subsidiary undertakings of the company whose results or financial position would principally affect the figures shown in the group accounts, and
- (b) the management of interests in subsidiary undertakings includes the provision of services to such undertakings."

(3) At the end of subsection (6) of that section there shall be inserted the words “, and as a reference to paragraphs 73, 74, 79 and 80 of Part I of Schedule 9A, in the case of the group accounts of an insurance group”.

(4) Subsection (7) of that section shall be omitted.

Form and content of accounts

4. For Schedule 9A to the 1985 Act⁽³⁾ there shall be substituted Schedule 1 to these Regulations (form and content of accounts of insurance companies and groups).

Minor and consequential amendments

5.—(1) The 1985 Act shall have effect subject to the amendments specified in Schedule 2 to these Regulations (being minor amendments and amendments consequential on the provisions of these Regulations).

(2) In paragraph 3(1) of Part I of Schedule 2 to the Companies Act 1989 (Commencement No. 4 and Transitional and Saving Provisions) Order 1990⁽⁴⁾, for the words “ending prior to 1st January 1994” there shall be substituted the words “commencing before 23rd December 1994”.

Exempted companies

6.—(1) A company to which paragraph (2) below applies may, with respect to any financial year, prepare such annual accounts as it would have been required to prepare had the modifications to the 1985 Act effected by these Regulations not been made.

(2) This paragraph applies to—

- (a) any company which is excluded from the scope of Council Directive [73/239/EEC](#)⁽⁵⁾ by Article 3 of that Directive, and
- (b) any company referred to in Article 2(2) or (3) or 3 of Council Directive [79/267/EEC](#)⁽⁶⁾.

(3) The modifications effected by regulations 2 to 5 above shall, where a company prepares accounts under paragraph (1) of this Regulation, be treated (as regards that company) as not having been made.

Transitional provisions

7.—(1) A company (including any body corporate to which Part VII of the 1985 Act is applied by any enactment) may, with respect to a financial year of the company commencing before 23rd December 1994, prepare such annual accounts as it would have been required to prepare had the modifications to the 1985 Act effected by these Regulations not been made.

(2) The modifications effected by regulations 2 to 5 above shall, where a company prepares accounts under paragraph (1) of this Regulation, be treated (as regards that company) as not having been made.

(3) Parts I and II of Schedule 9 to the 1985 Act were formed into a new Schedule numbered 9A by regulation 5(1) of the Bank Accounts Regulations.

(4) S.I. [1990/355](#).

(5) Official Journal No. L228 of 16.8.1973, page 3.

(6) Official Journal No. L63 of 13.3.1979, page 1.

Department of Trade and Industry
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