
STATUTORY INSTRUMENTS

2012 No. 2301

**The Companies and Limited Liability Partnerships
(Accounts and Audit Exemptions and Change
of Accounting Framework) Regulations 2012**

Dormant subsidiaries: conditions for exemption from obligation to file accounts

11. After section 448 of the 2006 Act insert—

“448A Dormant subsidiaries exempt from obligation to file accounts

(1) The directors of a company are not required to deliver a copy of the company’s individual accounts to the registrar in respect of a financial year if—

- (a) the company is a subsidiary undertaking,
- (b) it has been dormant throughout the whole of that year, and
- (c) its parent undertaking is established under the law of an EEA State.

(2) Exemption is conditional upon compliance with all of the following conditions—

- (a) all members of the company must agree to the exemption in respect of the financial year in question,
- (b) the parent undertaking must give a guarantee under section 448C in respect of that year,
- (c) the company must be included in the consolidated accounts drawn up for that year or to an earlier date in that year by the parent undertaking in accordance with—
 - (i) the provisions of the Seventh Directive (83/349/EEC), or
 - (ii) international accounting standards,
- (d) the parent undertaking must disclose in the notes to the consolidated accounts that the directors of the company are exempt from the requirement to deliver a copy of the company’s individual accounts to the registrar by virtue of this section, and
- (e) the directors of the company must deliver to the registrar within the period for filing the company’s accounts and reports for that year—
 - (i) a written notice of the agreement referred to in subsection (2)(a),
 - (ii) the statement referred to in section 448C(1),
 - (iii) a copy of the consolidated accounts referred to in subsection (2)(c),
 - (iv) a copy of the auditor’s report on those accounts, and
 - (v) a copy of the consolidated annual report drawn up by the parent undertaking.

448B Companies excluded from the dormant subsidiaries exemption

448B The directors of a company are not entitled to the exemption conferred by section 448A (dormant subsidiaries) if the company was at any time within the financial year in question—

- (a) a quoted company as defined in section 385(2) of this Act,
- (b) a company that—
 - (i) is an authorised insurance company, a banking company, an e-Money issuer, a MiFID investment firm or a UCITS management company, or
 - (ii) carries on insurance market activity, or
- (c) a special register body as defined in section 117(1) of the Trade Union and Labour Relations (Consolidation) Act 1992 (c 52) or an employers' association as defined in section 122 of that Act or Article 4 of the Industrial Relations (Northern Ireland) Order 1992 (S.I. 1992/807) (NI 5).

448C Dormant subsidiaries filing exemption: parent undertaking declaration of guarantee

(1) A guarantee is given by a parent undertaking under this section when the directors of the subsidiary company deliver to the registrar a statement by the parent undertaking that it guarantees the subsidiary company under this section.

(2) The statement under subsection (1) must be authenticated by the parent undertaking and must specify—

- (a) the name of the parent undertaking,
 - (b) if the parent undertaking is incorporated in the United Kingdom, its registered number (if any),
 - (c) if the parent undertaking is incorporated outside the United Kingdom and registered in the country in which it is incorporated, the identity of the register on which it is registered and the number with which it is so registered,
 - (d) the name and registered number of the subsidiary company in respect of which the guarantee is being given,
 - (e) the date of the statement, and
 - (f) the financial year to which the guarantee relates.
- (3) A guarantee given under this section has the effect that—
- (a) the parent undertaking guarantees all outstanding liabilities to which the subsidiary company is subject at the end of the financial year to which the guarantee relates, until they are satisfied in full, and
 - (b) the guarantee is enforceable against the parent undertaking by any person to whom the subsidiary company is liable in respect of those liabilities.”.