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STATUTORY INSTRUMENTS

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**1994 No. 1696**

**The Insurance Companies (Third  
Insurance Directives) Regulations 1994**

**PART II**

**AMENDMENTS OF 1982 ACT**

**CHAPTER II**

*REGULATION OF INSURANCE COMPANIES*

*Preliminary*

**Insurance companies to which Part II applies**

**13.** After subsection (1) of section 15 of the 1982 Act (insurance companies to which Part II applies) insert—

“(1A) Except as otherwise provided by Part I of Schedule 2F to this Act, this Part of this Act (except sections 47A, 47B, 54 to 59 and Schedule 2B) does not apply to an EC company in so far as it is carrying on insurance business through a branch in respect of which such of the requirements of Part I of Schedule 2F to this Act as are applicable have been complied with.”

*Financial resources*

**Margins of solvency**

**14.—(1)** In subsection (3) of section 32 of the 1982 Act<sup>(1)</sup> (margins of solvency), for the words “Community margin of solvency” substitute the words “EEA margin of solvency”.

(2) In subsections (5) and (6) of that section—

- (a) for the words “Community margin of solvency” substitute the words “EEA margin of solvency”; and
- (b) for the words “in member States (taken together)” substitute the words “in EEA States (taken together)”.

(3) In subsections (1) and (3) of section 33 of that Act (failure to maintain minimum margin), for the words “Community margin of solvency” substitute the words “EEA margin of solvency”.

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(1) Subsection (3) was amended by [S.I. 1993/3127](#), reg 3(3).

### Companies supervised in other EEA States

15. In subsection (1) of section 34 of the 1982 Act (companies supervised in other member States), for paragraphs (a) and (b) substitute—

- “(a) whose head office is in an EEA State other than the United Kingdom, or
- (b) which has in accordance with section 9(2) above made a deposit in such a State, or”.

### Form and situation of assets

16. In subsection (2) of section 35 of the 1982 Act(2) (form and situation of assets), for the words “an insurance company whose head office is in a member State” substitute the words “an insurance company whose head office is in an EFTA State”.

### Adequacy of assets

17. After section 35 of the 1982 Act insert—

#### “Adequacy of assets.

35A.—(1) A UK company shall secure—

- (a) that its liabilities under contracts of insurance entered into by it, other than liabilities in respect of linked benefits, are covered by assets of appropriate safety, yield and marketability having regard to the classes of business carried on; and
- (b) without prejudice to the generality of paragraph (a) above, that its investments are appropriately diversified and adequately spread and that excessive reliance is not placed on investments of any particular category or description.

(2) A UK company which has entered into a linked long term contract shall secure that, as far as practicable, its liabilities under the contract in respect of linked benefits are covered as follows—

- (a) if those benefits are linked to the value of units in an undertaking for collective investments in transferable securities or to the value of assets contained in an internal fund, by those units or assets;
- (b) if those benefits are linked to a share index or other reference value not mentioned in paragraph (a) above, by units which represent that reference value, or by assets of appropriate safety and marketability which correspond, as nearly as may be, to the assets on which that reference value is based.

(3) A UK company which has entered into a linked long term contract shall also secure that its liabilities under the contract in respect of linked benefits are covered by assets of a description prescribed by regulations under section 78 below.

(4) In this section—

‘linked benefits’, in relation to a contract of insurance, means benefits payable to the policy holder which are determined by reference to the value of or the income from property of any description (whether or not specified in the contract) or by reference to fluctuations in, or in an index of, the value of property of any description (whether or not so specified);

‘linked long term contract’ means a contract of insurance—

- (a) the effecting of which constitutes the carrying on of long term business; and
- (b) under which linked benefits are payable to the policy holder.”

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(2) Subsection (2) was amended by [S.I. 1993/3127](#), reg 3(5).

## **Adequacy of premiums: long term business**

18. After section 35A of the 1982 Act insert—

### **“Adequacy of premiums: long term business.**

**35B.**—(1) Before entering into a contract of insurance the effecting of which constitutes the carrying on of long term business, a UK company shall satisfy itself that the aggregate of—

- (a) the premiums payable under the contract and the income which will be derived from them; and
- (b) any other resources of the company which will be available for the purpose, will be sufficient, on reasonable actuarial assumptions, to meet all commitments arising under or in connection with the contract.

(2) A UK company shall not rely on other resources for the purposes of subsection (1) above in such a way as to jeopardise the solvency of the company in the long term.”

### *Powers of intervention*

## **Grounds on which powers of intervention are exercisable**

19.—(1) In subsection (2) of section 37 of the 1982 Act (grounds on which powers are exercisable)—

- (a) after paragraph (a) insert—
    - “(aa) that the company is a UK or non-EC company and it appears to him that any of the criteria of sound and prudent management is not or has not been or may not be or may not have been fulfilled with respect to the company;”;
  - (b) in paragraph (b), sub-paragraph (ia)(3) shall cease to have effect; and
  - (c) in paragraph (g), for the words “a member State where it has its head office or” substitute the words “an EFTA State where it has its head office or an EEA State where it”.
- (2) In subsection (3) of that section—
- (a) for the words “sections 39 and 40” substitute the words “sections 39, 40 and 40A”;
  - (b) in paragraph (a) for the words “section 11 above” substitute the words “section 11 or 12A above”; and
  - (c) after paragraph (c) insert
    - “or
    - (d) on the grounds that the company is a UK or non-EC company and it appears to the Secretary of State that the company has failed to satisfy an obligation to which it is or was subject by virtue of section 32 or 35A above.”
- (3) After subsection (4) of that section insert—
- “(4A) The powers conferred on the Secretary of State by sections 43A and 44 below shall be exercisable in respect of a UK or non-EC company to obtain information to enable him to perform his functions under this Act.”
- (4) In subsection (5) of that section—

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(3) Sub-paragraph (ia) was inserted by [S.I. 1990/1333](#), reg 8(2) and amended by [S.I.1993/174](#), reg 2(1)(b).

- (a) in paragraph (b), for the words “section 7(4)(c) above” substitute the words “section 96C(1)(c), (d) or (e) below”;
- (b) after that paragraph insert—
  - “(c) any UK company in a case where a person has notified an intention to acquire a notifiable holding in accordance with section 61A(1) below,”; and
- (c) after the words “became such a controller” insert the words “or acquired such a holding”.

### **Requirements about investments**

**20.** In subsection (3)(a) of section 38 of the 1982 Act<sup>(4)</sup> (requirements about investments), for the words from “whose head office” to “insurance company” substitute—

- “(i) whose head office is in an EFTA State, or
- (ii) which has in accordance with section 9(2) above made a deposit in an EEA State other than the United Kingdom, or
- (iii) which is a Swiss general insurance company,”.

### **Maintenance of assets in the United Kingdom**

**21.**—(1) For subsection (1) of section 39 of the 1982 Act (maintenance of assets in the United Kingdom) substitute—

- “(1) The Secretary of State may require—
  - (a) in the case of a UK company, that assets of the company of a value which at any time is equal to the whole or a specified proportion of the amount of its EC liabilities shall be maintained in the European Community; and
  - (b) in the case of an insurance company which is not a UK company, that assets of a value which at any time is equal to the whole or a specified proportion of the amount of its domestic liabilities shall be maintained in the United Kingdom.”

(2) In subsection (2) of that section, for the words “as assets maintained in the United Kingdom” substitute—

- “(a) in the case of a UK company, as assets maintained in the European Community; and
- (b) in the case of an insurance company which is not a UK company, as assets maintained in the United Kingdom”.

(3) In subsection (3) of that section, for the words “domestic liabilities” substitute the words “EC or domestic liabilities”.

(4) For subsection (5) of that section substitute—

- “(5) In this section—
  - (a) any reference to an EC liability is a reference to a liability of the business carried on by the company in the European Community; and
  - (b) any reference to a domestic liability is a reference to a liability of the business carried on by the company in the United Kingdom.”

### **Prohibition on disposal of assets**

**22.** After section 40 of the 1982 Act insert—

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(4) Subsection (3)(a) was amended by [S.I. 1993/3127](#), reg 3(7).

**“Prohibition on disposal of assets.**

**40A.**—(1) If on the application of the Secretary of State it appears to the court that any of the grounds set out in section 37(3) above are established in relation to a UK company, the court may grant an injunction restraining, or in Scotland an interdict prohibiting, the company from disposing of or otherwise dealing with any of its assets to the value of its EC liabilities.

(2) Where a court makes an order under subsection (1) above, it may by subsequent orders make provision for such incidental, consequential and supplementary matters as are necessary to enable the Secretary of State to perform his functions under this Act.

(3) The jurisdiction conferred by this section shall be exercisable by the High Court and the Court of Session.

(4) In this section “EC liabilities” has the same meaning as in section 39 above.”

**General investigations**

**23.** After section 43 of the 1982 Act insert—

**“General investigations.**

**43A.**—(1) The Secretary of State may appoint one or more competent persons to make an investigation into and report to the Secretary of State on—

- (a) whether the criteria of sound and prudent management are fulfilled with respect to any insurance company which is a UK or non-EC company ; or
- (b) where a person has notified the Secretary of State under section 60 or 61 below of his intention to become a controller of any such company, whether those criteria would be so fulfilled if that person became such a controller;

and the Secretary of State shall give written notice of any such appointment to the company.

(2) It shall be the duty of every person who is or was a director, manager, controller, agent, actuary, auditor or solicitor of a company which is under investigation—

- (a) to produce to the persons appointed under subsection (1) above, within such time and at such place as they may require, all documents relating to the company which are in his custody or power;
- (b) to attend before the persons so appointed at such time and place as they may require; and
- (c) otherwise to give those persons all assistance in connection with the investigation which he is reasonably able to give;

and those persons may take copies of or extracts from any documents produced to them under paragraph (a) above.

(3) For the purpose of exercising his powers under this section a person appointed under subsection (1) above may enter any premises occupied by a company which is being investigated by him under this section; but he shall not do so without prior notice in writing unless he has reasonable cause to believe that if such a notice were given any documents whose production could be required would be removed, tampered with or destroyed.

(4) A person exercising powers by virtue of an appointment under this section shall, if so required, produce evidence of his authority.

(5) A statement made by a person in compliance with a requirement imposed by virtue of this section may be used in evidence against him.”

### **Power to obtain information etc.**

**24.**—(1) After subsection (2) of section 44 of the 1982 Act<sup>(5)</sup> (power to obtain information and require production of documents) insert—

“(2A) Subsections (1) and (2) above shall have effect as if any reference to a company included a reference to any person who is or has been a controller, officer, agent or employee of a UK or non-EC company and to any body corporate which is or has been—

- (a) a parent undertaking or subsidiary undertaking of such a company;
- (b) a subsidiary undertaking of a parent undertaking of such a company; or
- (c) a parent undertaking of a subsidiary undertaking of such a company.

(2B) The Secretary of State may require a UK or non-EC company to furnish him, at a specified time, with a report by a specified person, being an actuary or accountant or other person with relevant professional skills, on any matter about which the Secretary of State has required, or could require, the company to provide information under subsection (1) above.”

(2) In subsection (4) of that section, for the words “subsections (2) and (3)” substitute the words “subsections (2), (2A) and (3)”.

(3) After that subsection insert—

“(4A) Any person authorised by the Secretary of State may, on producing if required evidence of his authority, enter any premises occupied by—

- (a) a UK or non-EC company on which a requirement under subsection (1) or (2) above has been imposed; or
- (b) a person on whom or a body on which such a requirement has been imposed by virtue of subsection (2A) above,

for the purpose of obtaining the information or documents required to be furnished or produced and exercising the powers conferred by subsection (4) above.”

### **Residual power to impose requirements for protection of policy holders**

**25.**—(1) For subsection (1) of section 45 of the 1982 Act (residual power to impose requirements for protection of policy holders) substitute—

“(1) The Secretary of State may require a company to take such action as appears to him to be appropriate—

- (a) for the purpose of protecting policy holders or potential policy holders of the company against the risk that the company may be unable to meet its liabilities or, in the case of long term business, to fulfil the reasonable expectations of policy holders or potential policy holders; or
- (b) in the case of a UK or non-EC company, for the purpose of ensuring that the criteria of sound and prudent management are fulfilled with respect to the company.”

(2) In subsection (2) of that section—

- (a) in paragraph (a), for the words “section 11 above” substitute the words “section 11 or 12A above”; and
- (b) after paragraph (c) insert the words

“or

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(5) Subsection (2) was amended by the Companies Act 1989 (c. 40), section 77(2).

- (d) on the grounds that the company is a UK or non-EC company and it appears to the Secretary of State that the company has failed to satisfy an obligation to which it is or was subject by virtue of section 32 or 35A above.”

### **Restriction on disclosure of information**

**26.**—(1) For section 47A of the 1982 Act(6) substitute—

**“47A Restriction on disclosure of information.**

**47A.** Schedule 2B to this Act (which, subject to certain exceptions, restricts the disclosure of information obtained under or by virtue of this Act) shall have effect.”

(2) After Schedule 2A to that Act insert Schedule 2 to these Regulations (restriction on disclosure of information), as Schedule 2B.

### **Privilege from disclosure**

**27.** In subsection (1) of section 47B of the 1982 Act(7) (privilege from disclosure), for the words “section 44(2) to (4)” substitute the words “section 43A or 44(2) to (4)”.

### *Transfers of insurance business*

### **Transfers of long term and general business**

**28.**—(1) For sections 49 to 52 of the 1982 Act(8) (transfers of insurance business) substitute—

**“49 Transfers of long term and general general business.**

**49.** Schedule 2C to this Act shall have effect long term and with respect to transfers of business.”

(2) After Schedule 2B to that Act insert Schedule 3 to these Regulations (transfers of insurance business), as Schedule 2C.

(3) This regulation does not apply in any case where an application is made under section 49 or 51 of that Act before 1st July 1994.

### **Issue of certificates by Secretary of State**

**29.** For subsection (1) of section 52A of the 1982 Act(9) (issue of certificates by Secretary of State) substitute—

“(1) Where it is proposed to execute an instrument by which—

(a) an EC company, or a non-EC company whose head office is in an EFTA State, is to transfer—

(i) to a UK company; or

(ii) to a non-EC company whose solvency is supervised by the Secretary of State in accordance with Article 29 or 30 of the first long term insurance Directive or Article 25 or 26 of the first general insurance Directive,

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(6) Section 47A was inserted by the Companies Consolidation (Consequential Provisions) Act 1985 (c. 9), section 25.

(7) Section 47B was inserted by the Companies Consolidation (Consequential Provisions) Act 1985 (c. 9), section 25.

(8) Section 49A was inserted by the Friendly Societies Act 1992 (c. 40), section 120(1) and Schedule 21, Part I, para 5(2); section 49B was inserted by S.I. 1993/174, reg 3(3) and renumbered by S.I. 1993/1327, reg 3(1).

(9) Section 52A was inserted by S.I. 1990/1333, reg 9(2) and amended by S.I. 1993/174, reg 3(4) and S.I. 1993/3127, reg 3(9).

all its rights and obligations under such long term or general policies, or long term or general policies of such descriptions, as may be specified in the instrument; or

- (b) a Swiss general insurance company is to transfer to a UK company all its rights and obligations under such general policies, or general policies of such descriptions, as may be so specified,

the Secretary of State may, if he is satisfied that the transferee possesses the necessary margin of solvency after taking the proposed transfer into account, issue a certificate to that effect.”

### **Effect of transfers authorised in other EEA States**

30. After section 52A of the 1982 Act insert—

#### **“Effect of transfers authorised in other EEA States.**

**52B.**—(1) This section applies where—

- (a) an EC company transfers to another body all its rights and obligations under any UK policies and the transfer is authorised in its home State in accordance with—
- (i) Article 11 of the third long term insurance Directive, or
  - (ii) Article 12 of the third general insurance Directive;
- (b) a non-EC company whose head office is in an EFTA State transfers to another body all its rights and obligations under any UK policies and the transfer is authorised in an EEA State other than the United Kingdom in accordance with—
- (i) Article 6 of the second long term insurance Directive, or
  - (ii) Article 11 of the second general insurance Directive; or
- (c) a non-EC company whose head office is not in an EFTA State transfers to another body all its rights and obligations under any UK policies and the transfer is authorised in a member State other than the United Kingdom in accordance with—
- (i) Article 31a of the first long term insurance Directive (as amended by Article 49 of the third long term insurance Directive), or
  - (ii) Article 28a of the first general insurance Directive (as amended by Article 53 of the third general insurance Directive).

(2) If notice of the execution of the instrument giving effect to the transfer is published in such manner as the Secretary of State may from time to time direct, the instrument shall be effectual in law—

- (a) to transfer to the transferee all the transferor’s rights and obligations under the UK policies included in the instrument, and
- (b) if the instrument so provides, to secure the continuation by or against the transferee of any legal proceedings by or against the transferor which relate to those rights or obligations,

notwithstanding the absence of any agreements or consents which would otherwise be necessary for it to be effectual in law for those purposes.

(3) Directions under this section may make different provision for different cases or descriptions of case.



(4) A policy which evidences a contract of direct insurance is a UK policy for the purposes of this section if the law applicable to it is the law of any part of the United Kingdom.”

*Winding up*

**Winding up on petition by Secretary of State**

**31.**—(1) In subsection (1) of section 54 of the 1982 Act (winding up on petition by Secretary of State), for paragraph (bb)(10) substitute—

- “(bb) that the company is a UK company and has failed to satisfy an obligation to which it is subject by virtue of any provision of the law of another EEA State which—
- (i) gives effect to the general or long term insurance Directives; or
  - (ii) is otherwise applicable to the insurance activities of the company in that State;”.

(2) In subsection (2) of that section, for paragraph (bb)(11) substitute—

- “(bb) that the company is a UK company and has failed to satisfy an obligation to which it is subject by virtue of any provision of the law of another EEA State which—
- (i) gives effect to the general or long term insurance Directives; or
  - (ii) is otherwise applicable to the insurance activities of the company in that State;”.

*Changes of director, controller or manager etc.*

**Approval of proposed managing director or chief executive**

**32.** For subsection (3) of section 60 of the 1982 Act (approval of proposed managing director or chief executive) substitute—

“(3) The Secretary of State may serve a notice of objection under subsection (1) above on the ground—

- (a) that it appears to him that the person proposed to be appointed is not a fit and proper person to be appointed to the position in question; or
- (b) where the insurance company is a UK or non-EC company, that it appears to him that, if that person were appointed, the criteria of sound and prudent management would not or might not continue to be fulfilled in respect of the company.

(3A) Before serving such a notice the Secretary of State shall serve on the company and on the person proposed to be appointed a preliminary notice stating—

- (a) that the Secretary of State is considering the service on the company of a notice of objection on that ground; and
- (b) that the company or that person may, within the period of one month from the date of service of the preliminary notice, make written representations to the Secretary of State and, if the company or that person so requests, oral representations to an officer of the Department of Trade and Industry appointed for the purpose by the Secretary of State.”

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(10) Paragraph (bb) was inserted by S.I. 1990/1333, reg 8(3) and amended by S.I. 1993/174, reg 2(1)(c).

(11) Paragraph (bb) was inserted by S.I. 1990/1333, reg 8(3) and amended by S.I. 1993/174, reg 2(1)(c).

### **Approval of proposed controller where section 60 does not apply**

**33.** For subsection (2) of section 61 of the 1982 Act (approval of person proposing to become controller of insurance company where section 60 does not apply) substitute—

“(1A) The Secretary of State may serve a notice of objection under subsection (1) above on the ground—

- (a) that it appears to him that the person concerned is not a fit and proper person to become a controller of the company; or
- (b) where the company is a UK or non-EC company, that it appears to him that, if that person were to become such a controller, the criteria of sound and prudent management would not or might not continue to be fulfilled in respect of the company.

(2) Before serving such a notice the Secretary of State shall serve on the person proposing to become a controller a preliminary notice stating—

- (a) that the Secretary of State is considering the service on that person of a notice of objection on that ground; and
- (b) that that person may, within the period of one month from the date of service of the preliminary notice, make written representations to the Secretary of State and, if that person so requests, oral representations to an officer of the Department of Trade and Industry appointed for the purpose by the Secretary of State.”

### **Approval of acquisition of notifiable holding in UK company**

**34.** After section 61 of the 1982 Act insert—

**“Approval of acquisition of notifiable holding in UK company.**

**61A.—**(1) No person who is a controller of a UK company shall acquire a notifiable holding in that company, or in another company of which it is a subsidiary undertaking, unless—

- (a) he has served on the Secretary of State a written notice stating—
  - (i) that he intends to acquire such a holding; and
  - (ii) the number of the shares or details of the voting rights which he proposes to acquire; and
- (b) either the Secretary of State has, before the expiration of the period of three months beginning with the date of service of that notice, notified him in writing that there is no objection to his proposed acquisition of the holding, or that period has elapsed without the Secretary of State having served on him a written notice of objection.

(2) The Secretary of State may serve a notice of objection under subsection (1) above on the ground—

- (a) that it appears to him that the person concerned is not a fit and proper person to acquire such a holding; or
- (b) that it appears to him that, if that person were to acquire such a holding, the criteria of sound and prudent management would not or might not continue to be fulfilled in respect of the company.

(3) Subsections (2) to (4) of section 61 above(12) shall (with the necessary modifications) apply for the purposes of this section as they apply for the purposes of that section.”

### **Further provisions with respect to controllers of UK companies**

**35.**—(1) After section 61A of the 1982 Act insert—

#### **“Further provisions with respect to controllers of UK companies.**

**61B.** Schedule 2D to this Act (which makes further provision with respect to persons becoming or continuing to be companies, controllers of UK and persons who are such controllers acquiring or dealing with holdings in such companies) shall have effect.”

(2) After Schedule 2C to the 1982 Act insert Schedule 4 to these Regulations (further provisions with respect to controllers of UK companies), as Schedule 2D.

### **Duty to notify change of director, controller or manager**

**36.**—(1) For subsection (1) of section 62 of the 1982 Act (duty to notify change of director, controller or manager) substitute—

“(1) If, in the case of a company to which this Part of this Act applies, a person becomes or ceases to be—

(a) a controller of the company; or

(b) where the company is a UK company, a 10 per cent.shareholder controller, a 20 per cent.shareholder controller, a 33 per cent.shareholder controller, a 50 per cent.shareholder controller or a majority shareholder controller of the company,

he shall, before the expiration of the period of seven days beginning with the day next following that on which he does so, notify the company in writing of that fact and of such other matters as may be prescribed.

(1A) If, after ceasing to be a shareholder controller of any description mentioned in paragraph (b) of subsection (1) above, a person will still be a shareholder controller of the company, his notice under that subsection shall state the percentage of the shares or voting power which he will (alone or with any associate or associates) hold or be entitled to exercise or control.

(1B) A person who becomes a director or manager of an insurance company to which this Part of this Act applies shall, before the expiration of the period of seven days beginning with the day next following that on which he does so, notify the company in writing of such matters as may be prescribed.”

(2) In subsection (2) of that section, for the words “subsection (1)” substitute the words “subsection (1), (1A) or (1B)”.

(3) After that subsection insert—

“(3) In this section ‘share’ has the same meaning as in Part VII of the Companies Act or Part VIII of the Companies (Northern Ireland) Order 1986.”

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(12) Subsection (2A) of section 61 was inserted by S.I. 1992/2890, reg 4.

### **Change of manager etc. of company from outside United Kingdom**

**37.**—(1) In subsection (1) of section 63 of the 1982 Act(**13**) (change of manager etc. of company from outside United Kingdom), for the words from “an insurance company” to “in relation to” substitute the words “a non-EC company whose head office is in an EFTA State or”.

(2) Section 63A of that Act(**14**) (duty to notify change of control) shall cease to have effect.

### *Miscellaneous and supplemental*

### **Documents deposited in Northern Ireland**

**38.** In paragraph (a) of section 66 of the 1982 Act (documents deposited in Northern Ireland), for the words “42(4) or 50(4) above” substitute the words “or 42(4) above or paragraph 5(5) of Schedule 2C to this Act”.

### **Offences under Part II**

**39.**—(1) In subsection (1) of section 71 of the 1982 Act (offences under Part II)—

- (a) in paragraph (a), for “62(1)” substitute “or 62(1), (1A) or (1B)”;
- (b) in paragraph (b), for the words “section 44” substitute the words “section 43A or 44”; and
- (c) in paragraph (c), for sub-paragraph (iv) substitute—

“(iv) any statement sent out under paragraph 2(2)(b) of Schedule 2C to this Act or made available under paragraph 7(1)(c) of that Schedule,”

(2) After subsection (2) of that section insert—

“(2AA) Any person who intentionally obstructs a person exercising rights conferred by section 44(4A) above shall be guilty of an offence and liable—

- (a) on conviction on indictment, to a fine, and
- (b) on summary conviction, to a fine not exceeding the statutory maximum.”

(3) In subsection (3) of that section(**15**), for the words “44, 45, 49(4), 50(4), 61(1) or 63A above” substitute the words “43A, 44, 45, 61(1) or 61A(1) above, paragraph 2(3) or 5(5) of Schedule 2C to this Act or Schedule 2D to this Act”.

(4) In subsection (4) of that section, for “44(1)” substitute “44(1) or (2B)”.

(5) Subsection (4A) of that section(**16**) (which is superseded by regulation 26 above) shall cease to have effect.

(6) In subsection (5) of that section, for “61 or 62(1)” substitute “61, 61A(1) or 62(1), (1A) or (1B)”.

(7) In subsection (7) of that section(**17**), for the words “31A or 51 (other than subsection (2) (c) above” substitute the words “or 31A above or Part II of Schedule 2C to this Act (other than paragraph 7(1)(c))”.

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(13) Subsection (1) was amended by [S.I. 1993/3127](#), reg 3(10).

(14) Section 63A was inserted by [S.I. 1992/2890](#), reg 5.

(15) Subsection (3) was amended by the Fines and Penalties (Northern Ireland) Order 1984 ([S.I. 1984/703 \(N.I.3\)](#)), the Criminal Penalties etc. (Increase) Order (Northern Ireland) 1984 ([S.R. 1984/253](#)) and [S.I. 1992/2890](#), reg 6.

(16) Subsection (4A) was inserted by the Companies Consolidation (Consequential Provisions) Act 1985 (c. 9), section 30 and Schedule 2.

(17) Subsection (7) was inserted by the Financial Services Act 1986 (c. 60), sections 135(2) and 136(2).