

2006 No. 353

INSURANCE

The Insurance Accounts Directive (Miscellaneous Insurance Undertakings) (Amendment) Regulations (Northern Ireland) 2006

Made - - - - *31st August 2006*

Coming into operation - *1st October 2006*

The Department of Enterprise, Trade and Investment(a), being a Department designated(b) for the purposes of section 2(2) of the European Communities Act 1972(c) in relation to measures relating to the drawing up, auditing and publication of accounts by insurance undertakings, in exercise of the powers conferred on it by section 2(2) makes the following Regulations:

Citation, commencement and interpretation

1.—(1) These Regulations may be cited as the Insurance Accounts Directive (Miscellaneous Insurance Undertakings) (Amendment) Regulations (Northern Ireland) 2006.

(2) These Regulations come into operation on 1st October 2006 and have effect as respects financial years which begin on or after 1st January 2006 and which end on or after 1st October 2006.

(3) In these Regulations—

“Companies Order” means the Companies (Northern Ireland) Order 1986(d), and

“the principal regulations” means the Insurance Accounts Directive (Miscellaneous Insurance Undertakings) Regulations (Northern Ireland) 1994(e).

(4) The Interpretation Act (Northern Ireland) 1954(f) shall apply to these Regulations as it applies to an Act of the Northern Ireland Assembly.

Amendment of regulation 3 of the principal regulations (preparation of accounts)

2.—(1) Regulation 3 of the principal regulations (preparation of accounts by qualifying bodies) is amended as follows.

(2) In paragraph (3)—

(a) in sub-paragraph (d)—

(i) at the beginning insert “where Companies Order group accounts are prepared,”, and

(a) Formerly the Department of Economic Development: see S.I. 1999/283 (N.I. 1), Article 3(5)
(b) S.I. 1992/2870
(c) 1972 c. 68
(d) S.I. 1986/1032 (N.I.6)
(e) S.R. 1994 No. 429
(f) 1954 c.33 (NI)

- (ii) for “13(3) to (5)” substitute “13(3) and (5)”(a),
- (b) in sub-paragraph (e), for “paragraphs 4, 5, 10, 12, 18, 19 and 29” substitute “paragraphs 4 and 12”(b),
- (c) in sub-paragraph (f), for “paragraphs 2 to 6” substitute “paragraphs 2”(c),
- (d) in sub-paragraph (g), for “paragraph 6” substitute “paragraphs 5A and 6”(d), and
- (e) in sub-paragraph (h)—
 - (i) at the beginning insert “where Companies Order individual accounts are prepared,” and
 - (ii) omit “70(3)(b),”(e).

Amendment of the Schedule to the principal regulations (modifications of certain enactments in their application to industrial and provident societies)

3.—(1) The Schedule to the principal regulations is amended as follows.

(2) For paragraph 1 substitute—

“1. In its application to industrial and provident societies which prepare accounts under the provisions of these Regulations, the Industrial and Provident Societies Act (Northern Ireland) 1969 shall have effect subject to the modifications made by paragraphs 2 to 3 and 4(2) to 6.”

(3) In paragraph 4 omit sub-paragraphs (1) and (3).

(4) After paragraph 5 insert—

“6. In section 37A of the Industrial and Provident Societies Act (Northern Ireland) 1969(f), for subsections (2) to (12) substitute—

“(2) If a society publishes any of its statutory accounts, they must be accompanied by the relevant auditors’ report under the Insurance Accounts Directive (Miscellaneous Insurance Undertakings) Regulations (Northern Ireland) 1994.

(3) A society which is required to prepare group accounts for a financial year shall not publish its statutory individual accounts for that year without also publishing with them its statutory group accounts.

(4) If a society publishes non-statutory accounts, it shall publish with them a statement indicating—

- (a) that they are not the society’s statutory accounts,
- (b) whether statutory accounts dealing with any financial year with which the non-statutory accounts purport to deal have been delivered to the registrar,
- (c) whether the society’s auditors have made a report under the Insurance Accounts Directive (Miscellaneous Insurance Undertakings) Regulations (Northern Ireland) 1994,
- (d) whether any such auditors’ report—
 - (i) was qualified or unqualified, or included a reference to any matters to which the auditors drew attention by way of emphasis without qualifying the report, or

(a) Paragraph 13(4) of Schedule 4A to the 1986 Order was repealed by regulation 13(2) of, and paragraph 4(2) of Schedule 2 to, S.R. 1997 No. 314

(b) Paragraphs 5, 10, 18, 19 and 29 of Schedule 5 to the Companies (Northern Ireland) Order 1986 were repealed by regulation 13(3) of, and paragraphs 4, 8, 10, 11 and 15 of Schedule 3 to, S.R. 1997 No. 314

(c) Paragraph 2 of Schedule 6 to the 1986 Order was substituted for paragraphs 2 to 6 by regulation 3 of SR. 1997 No. 545

(d) Paragraph 5A was inserted by regulation 13(1) of S.R. 2004 No. 496

(e) Paragraph 70(3)(b) was repealed by regulation 13(7) of, and paragraph 12 of Schedule 5 to, S.R. 1997 No. 314

(f) Section 37A was inserted by Article 4 of, and paragraph 5 of Schedule 2 to, S.I. 1997/2984

- (ii) contained a statement under Article 245(2) or (3) of the Companies (Northern Ireland) Order 1986 as applied to industrial and provident societies by the Insurance Accounts Directive (Miscellaneous Insurance Undertakings) Regulations (Northern Ireland) 1994 (accounting records or returns inadequate, accounts not agreeing with records and returns or failure to obtain necessary information and explanations),

and it shall not publish with the non-statutory accounts any auditors' report under the Insurance Accounts Directive (Miscellaneous Insurance Undertakings) Regulations (Northern Ireland) 1994.

(5) For the purposes of this section a society shall be regarded as publishing a document if it publishes, issues or circulates it or otherwise generally makes it available for public inspection in a manner calculated to invite members of the public generally, or any class of members of the public, to read it.

(6) References in this section to a society's statutory accounts are to its individual or group accounts for a financial year as required to be prepared by the Insurance Accounts Directive (Miscellaneous Insurance Undertakings) Regulations (Northern Ireland) 1994; and references to the publication by a society of "non-statutory accounts" are to the publication of—

- (a) any balance sheet or profit and loss account relating to, or purporting to deal with, a financial year of the society, or
- (b) an account in any form purporting to be a balance sheet or profit and loss account for the group consisting of the society and its subsidiary undertakings relating to, or purporting to deal with, a financial year of the society,

otherwise than as part of the society's statutory accounts.””

Sealed with the Official Seal of the Department of Enterprise, Trade and Investment on 31st August 2006



Noel H Lavery

A senior officer of the Department of Enterprise, Trade and Investment

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Insurance Accounts Directive (Miscellaneous Insurance Undertakings) Regulations (Northern Ireland) 1994 (S.R. 1994 No. 429) (“the 1994 Regulations”). The 1994 Regulations implemented Council Directive 91/674/EEC of 19th December 1991 on the annual and consolidated accounts of insurance undertakings (Official Journal No. L 374/7 of 31st December 1991) in so far as it applies to bodies corporate or unincorporate other than (a) bodies corporate to which Part VIII of the Companies (Northern Ireland) Order 1986 (“the 1986 Order”) applies and (b) friendly societies.

Regulation 3 of the 1994 Regulations requires the directors of those insurance undertakings defined as “qualifying bodies” in regulation 2 of the 1994 Regulations to prepare accounts and a directors’ report, and to obtain an auditors’ report, on such accounts, in accordance with the provisions of Part VIII of the 1986 Order which are specified in paragraph (3) of that regulation and are applicable to insurance companies and groups. Regulation 7 of, and the Schedule to, the 1994 Regulations make certain modifications of legislation applicable to industrial and provident societies which prepare accounts under the 1994 Regulations.

Part VIII of the 1986 Order has been amended by the Companies (1986 Order) (International Accounting Standards and Other Accounting Amendments) Regulations (Northern Ireland) 2004 (S.R. 2004 No. 496) and by the Companies (1986 Order) (Operating and Financial Review and Directors’ Report etc.) Regulations (Northern Ireland) 2005 (S.R. 2005 No. 61) in order to—

ensure the effective application of, and implement Member State options in, EC Regulation No. 1606/2002 of the European Parliament and of the Council of 19th July 2002 on the application of international accounting standards (Official Journal No. L243/1 of 11th September 2002) (“the IAS Regulation”);

implement Directive 2003/51/EC of the European Parliament and of the Council of 18th June 2003 amending Directives 78/660/EEC, 83/349/EEC, 86/635/EEC and 91/674/EEC on the annual and consolidated accounts of certain types of companies, banks and other financial institutions and insurance undertakings (Official Journal No. L 178/16 of 17th July 2003 (“the Accounts Modernisation Directive”)).

These Regulations amend the 1994 Regulations in order to ensure the full application to insurance undertakings of the IAS Regulation and Accounts Modernisation Directive and consequentially on amendments to primary legislation applied by the 1994 Regulations.

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