

## SCHEDULE 2

### BANKING COMPANIES: COMPANIES ACT INDIVIDUAL ACCOUNTS

#### PART 4

#### INTERPRETATION OF THIS SCHEDULE

##### Definitions for this Schedule

**93.** The following definitions apply for the purposes of this Schedule.

##### Financial fixed assets

**94.** “Financial fixed assets” means loans and advances and securities held as fixed assets; participating interests and shareholdings in group undertakings are to be regarded as financial fixed assets.

##### Financial instruments

**95.** For the purposes of this Schedule, references to “derivatives” include commodity-based contracts that give either contracting party the right to settle in cash or in some other financial instrument, except when such contracts—

- (a) were entered into for the purpose of, and continue to meet, the company’s expected purchase, sale or usage requirements,
- (b) were designated for such purpose at their inception, and
- (c) are expected to be settled by delivery of the commodity.

**96.—(1)** The expressions listed in sub-paragraph (2) have the same meaning in paragraphs 44 to 49, 66 to 68 and 95 of this Schedule as they have in Council Directives [78/660/EEC](#) on the annual accounts of certain types of companies<sup>(1)</sup> and [86/635/EEC](#) on the annual accounts and consolidated accounts of banks and other financial institutions<sup>(2)</sup>.

(2) Those expressions are “available for sale financial asset”, “business combination”, “commodity-based contracts”, “derivative”, “equity instrument”, “exchange difference”, “fair value hedge accounting system”, “financial fixed asset”, “financial instrument”, “foreign entity”, “hedge accounting”, “hedge accounting system”, “hedged items”, “hedging instrument”, “held for trading purposes”, “held to maturity”, “monetary item”, “receivables”, “reliable market” and “trading portfolio”.

##### Repayable on demand

**97.** “Repayable on demand”, in connection with deposits, loans or advances, means that they can at any time be withdrawn or demanded without notice or that a maturity or period of notice of not more than 24 hours or one working day has been agreed for them.

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(1) O.J. L222 of 14.8.1978, page 11, as amended in particular by Directives [2001/65/EEC](#), [2003/51/EEC](#) and [2006/46/EEC](#) of the European Parliament and of the Council (O.J. L238 of 27.12.2001, page 28, O.J. L178 of 17.7.2003, page 16 and O.J. L224 of 16.8.2006, page 1).

(2) O.J. No. L372 of 31st December 1986, page 1, as amended in particular by Directives [2001/65/EEC](#), [2003/51/EEC](#) and [2006/46/EEC](#) of the European Parliament and of the Council (O.J. L238 of 27.12.2001, page 28, O.J. L178 of 17.7.2003, page 16 and O.J. L224 of 16.8.2006, page 1).

### **Sale and repurchase transaction**

**98.**—(1) “Sale and repurchase transaction” means a transaction which involves the transfer by a credit institution or customer (“the transferor”) to another credit institution or customer (“the transferee”) of assets subject to an agreement that the same assets, or (in the case of fungible assets) equivalent assets, will subsequently be transferred back to the transferor at a specified price on a date specified or to be specified by the transferor.

(2) The following are not to be regarded as sale and repurchase transactions for the purposes of sub-paragraph (1)—

- (a) forward exchange transactions,
- (b) options,
- (c) transactions involving the issue of debt securities with a commitment to repurchase all or part of the issue before maturity, or
- (d) any similar transactions.

### **Sale and option to resell transaction**

**99.** “Sale and option to resell transaction” means a transaction which involves the transfer by a credit institution or customer (“the transferor”) to another credit institution or customer (“the transferee”) of assets subject to an agreement that the transferee is entitled to require the subsequent transfer of the same assets, or (in the case of fungible assets) equivalent assets, back to the transferor at the purchase price or another price agreed in advance on a date specified or to be specified.