

SCHEDULE 1

Regulation 4

LONG TERM BUSINESS MARGIN OF SOLVENCY

Long term classes I and II

1.—(1) For long term business of class I or II the required margin of solvency shall be determined by taking the aggregate of the results arrived at by applying the calculation described in paragraph (2) below (“the first calculation”) and the calculation described in paragraphs (3), (4) and (5) below (“the second calculation”).

(2) For the first calculation—

- (a) there shall be taken a sum equal to 4 per cent of the mathematical reserves for direct business and reinsurance acceptances without any deduction for reinsurance cessions;
- (b) the amount of the mathematical reserves at the end of the last preceding financial year after the deduction of reinsurance cessions shall be expressed as a percentage of the amount of those mathematical reserves before any such deduction; and
- (c) the sum mentioned in subparagraph (a) above shall be multiplied—
 - (i) where the percentage arrived at under subparagraph (b) above is greater than 85 per cent, by that greater percentage, and
 - (ii) in any other case, by 85 per cent.

(3) For the second calculation—

- (a) there shall be taken, subject to paragraphs (4) and (5) below, a sum equal to 0.3 per cent of the capital at risk for contracts on which the capital at risk is not a negative figure;
- (b) the amount of the capital at risk at the end of the last preceding financial year for contracts on which the capital at risk is not a negative figure, after the deduction of reinsurance cessions, shall be expressed as a percentage of the amount of that capital at risk before any such deduction; and
- (c) the sum arrived at under subparagraph (a) above shall be multiplied—
 - (i) where the percentage arrived at under subparagraph (b) above is greater than 50 per cent, by that greater percentage, and
 - (ii) in any other case, by 50 per cent.

(4) Where a contract provides for benefits payable only on death within a specified period and is valid for a period of not more than three years from the date when the contract was first made, the percentage to be taken for the purposes of paragraph (3)(a) above shall be 0.1 per cent; and where the period of validity from the date is more than three years but not more than five years, the percentage to be so taken shall be 0.15 per cent.

(5) For the purposes of paragraph (4) above, the period of validity of the contract evidencing a group policy is the period from the date when the premium rates under the contract were last reviewed for which the premium rates are guaranteed.

(6) For the purposes of the second calculation, the capital at risk is—

- (a) in any case in which an amount is payable in consequence of death other than a case falling within subparagraph (b) below, the amount payable on death, and
- (b) in any case in which the benefit under the contract in question consists of the making, in consequence of death, of the payment of an annuity, payment of a sum by instalments or any other kind of periodic payments, the present value of that benefit,

less in either case the mathematical reserves in respect of the relevant contracts.

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(7) When the amount of the mathematical reserves referred to in paragraph (2)(a) above, or the amount of the capital at risk referred to in paragraph (3)(a) above, is to be calculated for the purposes of determining the required margin of solvency, the day as on which that amount is calculated shall be the same as that on which the margin of solvency is determined; and the mathematical reserves referred to in paragraph (6) above shall also be calculated as on that day when the capital at risk in question is that referred to in paragraph (3)(a) above, but shall be calculated as at the end of the last preceding financial year when the capital at risk in question is that referred to in paragraph (3) (b) above.

Long term classes III and VII

2.—(1) For long term business of class III or VII the required margin of solvency shall be determined in accordance with paragraphs (2) to (5) below.

(2) In so far as a society bears an investment risk, the first calculation shall be applied.

(3) In so far as—

- (a) a society bears no investment risk, and
- (b) the total expired and unexpired term of the relevant contract exceeds five years, and
- (c) the allocation to cover management expenses in the relevant contract has a fixed upper limit which is effective as a limit for a period exceeding five years,

the first calculation shall be applied, but as if paragraph 1(2)(a) above contained a reference to one per cent instead of four per cent.

(4) If neither paragraph (2) nor paragraph (3) above applies, then, subject to paragraph (5) below, the required margin of solvency is zero.

(5) Where a society covers a death risk, a sum arrived at by applying the second calculation disregarding paragraph 1(4) and (5) shall be added to any required margin of solvency, including a required margin of solvency of zero, arrived at under paragraph (2), (3) or (4) above.

Long term classes IV and VI

3. For long term business of class IV or VI the required margin of solvency shall be determined by applying the first calculation.

Long term class V

4. For long term business of class V the required margin of solvency shall be equal to one per cent of the assets of the relevant tontine.

SCHEDULE 2

Regulation 4

GENERAL BUSINESS SOLVENCY MARGIN: FIRST METHOD OF CALCULATION (PREMIUM BASIS)

1. In this Schedule—

“gross premiums”, in relation to a society and a financial year—

- (a) means premiums after deduction of discounts, refunds and rebates of premium but before deduction of premiums for reinsurance ceded and before deduction of commission payable by the society, and

(b) includes premiums receivable by the society under reinsurance contracts accepted by the society;

“receivable”, in relation to a society, a financial year and a premium, means recorded in the society’s books as due to the society in respect of—

(a) a contract commencing in that year, or

(b) a contract not accounted for in an annual revenue account of the society prior to that year, even though the contract commenced in an earlier financial year,

whether or not the society has received the premium;

“recoverable”, in relation to a society and a financial year, means recorded in the society’s books as due in that year, whether or not the society has received any payment.

2. The gross premiums receivable in respect of the society’s entire general business for the last preceding financial year shall be aggregated.

3. From the aggregate arrived at under paragraph 2 above there shall be deducted—

(a) any taxes included in the premiums mentioned in paragraph 2 above, and

(b) any levies that are related to premiums and are recorded in the society’s books as payable in the last preceding financial year in respect of general business.

4. The amount arrived at under paragraph 3 above shall be multiplied by twelve and divided by the number of months in the financial year.

5. If the amount arrived at under paragraph 4 above is more than 10 million ECU, it shall be divided into two portions, the former consisting of 10 million ECU and the latter comprising the excess.

6. Where there has been a division into two portions pursuant to paragraph 5 above, there shall be calculated and added together 18 per cent, and 16 per cent of the two portions respectively; and where there has been no such division, there shall be calculated 18 per cent of the amount arrived at under paragraph 4 above.

7. In the case of general business consisting of health insurance based on actuarial principles, paragraph 6 above shall apply with the substitution of “6 per cent” for “18 per cent” and “5½ per cent” for “16 per cent”, but only if all the necessary conditions are satisfied.

8. For the purposes of paragraph 7 above, the necessary conditions are as follows, that is to say—

(a) the gross premiums receivable shall be calculated on the basis of sickness tables appropriate to insurance business;

(b) the reserves shall include provision for increasing age;

(c) an additional premium shall be collected in order to set up a safety margin of an appropriate amount;

(d) it shall not be possible for the society to cancel the contract after the end of the third year of insurance;

(e) the contract shall provide for the possibility of increasing premiums or reducing payments during its currency.

9. Where paragraph 7 above applies to a society whose general business consists partly of health insurance based on actuarial principles and partly of other business, the procedure provided in paragraphs 2 to 7 above shall operate separately for each part of the general business, so as to produce a sum under paragraph 7 above for the health insurance and a sum under paragraph 6 above for the other business.

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10.—(1) If the provision for claims outstanding at the end of the last preceding financial year exceeds the provision for claims outstanding at the beginning of that year, the amount of the excess shall be added to the amount of claims paid in the last preceding financial year.

(2) If the provision for claims outstanding at the beginning of the last preceding financial year exceeds the provision for claims outstanding at the end of that year, the amount of the excess shall be deducted from the amount of claims paid in the last preceding financial year.

11.—(1) For the purposes of paragraph 10 above, the amount of claims paid, in relation to a society and a financial year, is the amount that is recorded in the society's books at the end of the financial year as paid by it (whether or not payment has been effected in that year) in full or partial settlement of—

- (a) the claims described in subparagraph (2) below, and
- (b) the expenses described in subparagraph (3) below,

less any recoverable amounts within the meaning of subparagraph (4) below.

(2) The claims mentioned in subparagraph (1) above are claims under contracts of insurance (and under contracts of reinsurance accepted by the society) including claims relating to business accounted for over a longer period than a financial year.

(3) The expenses mentioned in subparagraph (1) above are expenses (such as, for example, legal or medical costs) which are incurred by the society, whether through the employment of its own staff or otherwise, and are directly attributable to the settlement of individual claims, whether or not the individual claims in question are those mentioned in subparagraph (1) above.

(4) Recoverable amounts for the purposes of subparagraph (1) above are amounts recoverable by the society in respect of the claims mentioned in that subparagraph or other claims, including amounts recoverable from third parties and amounts recoverable from other insurers but excluding amounts recoverable in respect of reinsurance ceded by the society.

12.—(1) For the purposes of paragraph 10 above, the provision for claims outstanding, in relation to a society and a financial year, is (subject to any applicable valuation regulations in Part IV of these Regulations) the amount set aside by the society as at the beginning or end of the financial year as being an amount likely to be sufficient to meet—

- (a) the claims described in subparagraph (2) below, and
- (b) the expenses described in subparagraph (3) below,

less any recoverable amounts within the meaning of subparagraph (4) below.

(2) The claims mentioned in subparagraph (1) above are claims under contracts of insurance in respect of incidents occurring—

- (a) in the case of an amount set aside as at the beginning of the financial year, before the beginning of that year, and
- (b) in the case of an amount set aside as at the end of a financial year, before the end of that year,

being claims which have not been treated as claims paid and including claims relating to business accounted for over a longer period than a financial year, claims the amounts of which have not been determined and claims arising out of incidents that have not been notified to the society.

(3) The expenses mentioned in subparagraph (1) above are expenses (such as, for example, legal or medical costs) which are likely to be incurred by the society, whether through the employment of its own staff or otherwise and are directly attributable to the settlement of individual claims, whether or not the individual claims in question are those mentioned in subparagraph (1) above.

(4) Recoverable amounts for the purposes of subparagraph (1) above are amounts estimated by the society to be recoverable by it in respect of the claims mentioned in that subparagraph, including amounts recoverable from third parties and amounts recoverable from other insurers but excluding amounts recoverable in respect of reinsurance ceded by the society.

13. From the amount determined under paragraph 10(1) or (2) above there shall be deducted the total sum recoverable in respect of that amount under reinsurance contracts ceded.

14. The amount determined under paragraph 13 above shall be expressed as a percentage of the amount determined under paragraph 10(1) or (2) above.

15. The sum arrived at under paragraph 6 or 7 above or the aggregate of the sums arrived at under those paragraphs, as the case may be, shall be multiplied—

- (a) where the percentage arrived at under paragraph 14 above is greater than 50 per cent but not greater than 100 per cent, by the percentage so arrived at,
- (b) where the percentage so arrived at is greater than 100 per cent, by 100 per cent, and
- (c) in any other case, by 50 per cent.

SCHEDULE 3

Regulation 4

GENERAL BUSINESS SOLVENCY MARGIN: SECOND METHOD OF CALCULATION (CLAIMS BASIS)

1. In this Schedule “reference period”, in relation to a society, means the three last preceding financial years.

2. If a society has not been in existence long enough to acquire a reference period, this Schedule shall be deemed to give a lower result than that given by Schedule 2 and shall otherwise not apply to the society.

3.—(1) If the provision for claims outstanding at the end of the reference period exceeds the provision for claims outstanding at the beginning of the reference period, the amount of the excess shall be added to the amount of claims paid in the reference period.

(2) If the provision for claims outstanding at the beginning of the reference period exceeds the provision for claims outstanding at the end of the reference period, the amount of the excess shall be deducted from the amount of claims paid in the reference period.

(3) For the purposes of this paragraph, the expressions “amount of claims paid” and “provision for claims outstanding” have, in relation to a reference period, the same meaning as they have in paragraph 10 of Schedule 2 in relation to a financial year.

4. The aggregate obtained under paragraph 3(1) or (2) above shall be divided by the number of months in the reference period and multiplied by twelve.

5. If the amount arrived at under paragraph 4 above is more than 7 million ECU, it shall be divided into two portions, the former consisting of 7 million ECU and the later comprising the excess.

6. Where there has been a division into two portions pursuant to paragraph 5 above, there shall be calculated and added together 26 per cent and 23 per cent of the two portions respectively; and where there has been no such division, there shall be calculated 26 per cent of the amount arrived at under paragraph 4 above.

7. In the case of general business consisting of health insurance based on actuarial principles, paragraph 6 above shall apply with the substitution of “8 $\frac{2}{3}$ per cent” for “26 per cent” and “7 $\frac{2}{3}$ per cent” for “23 per cent”, but only if all the necessary conditions are satisfied.

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8. The necessary conditions for the purposes of paragraph 7 above are the same as those set out in paragraph 8 of Schedule 2.

9. In a case of the kind mentioned in paragraph 9 of Schedule 2, that paragraph shall apply (with the necessary modifications) so as to produce separate sums under paragraphs 6 and 7 above.

10. The sum arrived at under paragraph 6 or 7 above or the aggregate of the sums arrived at under those paragraphs, as the case may be, shall be multiplied by the same percentage as is applicable for the purposes of paragraph 15 of Schedule 2.

SCHEDULE 4

Regulation 22

VALUE OF DEPENDANTS

PART I

THE SUPPLEMENTARY AMOUNT

1. Subject to paragraph 2(1) below, the supplementary amount in relation to assets of a relevant description held by a dependant of the society shall be determined in accordance with the following formula—

$$A = \frac{B}{C} \times D$$

in which—

A is the supplementary amount;

B is the amount by which the value of assets of that description held by the dependant, excluding any long term business assets of the dependant if it is an insurance company, exceeds the permitted limit applicable to the dependant in relation to those assets;

C is the aggregate of the amount specified in B above and of the amounts by which the value of assets of the same description held by other relevant dependants, excluding any long term business assets of a dependant which is an insurance company, exceeds respectively the permitted limits applicable to such other relevant dependants in relation to those assets;

D is—

- (a) where the society holds no assets of the same description of the relevant class, the amount of the permitted limit that would be applicable to the society in relation to such assets were it to hold them; and
- (b) where the society holds assets of the same description of the relevant class, the amount by which the permitted limit applicable to the society in relation to those assets exceeds the value of those assets.

2.—(1) Where for the purpose of determining any supplementary amount in accordance with paragraph 1 above the society cannot reasonably ascertain—

- (a) the value of any asset of a relevant dependant, or
- (b) the amount of the permitted limit applicable in relation to any asset of a relevant dependant,

the asset in question shall be left out of account for that purpose.

(2) In this Part of this Schedule—

“relevant dependant” means—

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- (a) where this Schedule is being applied in relation to the determination of the value of a share in, or debt due or to become due from, a dependant of the society which is a long term business asset of the society, any dependant of the society—
 - (i) a share in which, or in any body (whether incorporated or not) of which it is a jointly controlled body, is a long term business asset of the society, or
 - (ii) from which a debt is due, or will become due, to the society which is a long term business asset of that society; and
- (b) in any other case, any dependant of the society—
 - (i) a share in which, or in any body (whether incorporated or not) of which it is a jointly controlled body, is a general business asset of the society, or
 - (ii) from which a debt is due, or will become due, to the society which is a general business asset of that society.

PART II

FURTHER PROVISIONS AND MODIFICATIONS OF THE REGULATIONS APPLICABLE WITH RESPECT TO THE DETERMINATION OF THE VALUE OF DEPENDANTS

3.—(1) This paragraph applies where, for the purpose of ascertaining the value of the assets of the subject company under regulation 22 above, any determination falls to be made in accordance with regulation 22 of the value of the assets of a dependant of the society, a share in which, or a debt due or to become due from which, is an asset of the subject company; and references herein to a determination of the value of assets of a dependant to which this paragraph applies are references to any such determination.

(2) Regulation 22(4) shall not apply with respect to a determination of the value of assets of a dependant to which this paragraph applies.

(3) Where, in the case of a determination of the value of assets of a dependant to which this paragraph applies—

- (a) the dependant is an insurance company and has general business assets of a relevant description or is not an insurance company and has assets of a relevant description,
- (b) the value of such assets exceeds the permitted limit applicable to the dependant in relation to those assets, and
- (c) any controller of the dependant has no assets of the same description of the relevant class, or has assets of the same description of the relevant class and their value is less than the permitted limit applicable to that controller in relation to those assets;

then, for the purposes of such determination, there shall be added to the permitted limit applicable to the dependant in relation to the assets referred to in subparagraph (a) above an amount equal to the supplementary amount or, if there is more than one such controller, to the aggregate of the supplementary amounts, determined with respect to any such controller in accordance with Part I of this Schedule, subject where the controller is not the society, to the modifications specified in subparagraph (5) below.

(4) In this paragraph, “a controller” means, in relation to a dependant—

- (a) the society, and
- (b) the subject company, if it is an insurance company.

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(5) Where subparagraph (3) above is being applied in relation to a controller, other than the society—

- (a) Part I of this Schedule, as applied in accordance with the said subparagraph (3), shall have effect as if, for the reference to the society, there were substituted references to the controller, and
- (b) the references to assets being of a relevant class in the said subparagraph (3) and in Part I of this Schedule, as so applied, shall be construed as referring to long term business assets of the controller, if subparagraph (3) is being applied in connection with the determination of the value of a long term business asset of the controller, and to general business assets of the controller, in any other case.

4. The modifications of these Regulations applicable (in addition to that specified in paragraph 3(2) above) with respect to the determination of the value of the assets of the subject company where it is not an insurance company are as follows—

- (a) these Regulations shall apply to the subject company as if it were an insurance company and its assets were being valued for the purpose specified in regulation 38(1) of the 1981 Regulations;
- (b) regulation 38(2) of the 1981 Regulations shall not apply; and
- (c) regulation 49 of those Regulations shall not apply.

5. In this Schedule, “subject company” means the dependant of the society the value of whose assets is being determined in accordance with regulation 22(2) or (3) (as the case may be).

SCHEDULE 5

Regulation 31

ASSETS TO BE TAKEN INTO ACCOUNT ONLY TO A SPECIFIED EXTENT

PART I

Descriptions of Asset	Percentage of general business or long term business amount
1. A piece of land (not being land held as a security for a debt) or a number of pieces of such land to which in the most recent proper valuation of such pieces of land an aggregate value is ascribed which is greater than the aggregate of the value of each such piece of land valued separately.	5%
2. A debt (other than a listed debenture) due or to become due to the society from any person (not being an individual or a dependant of the society) which is fully secured on land or a number of such debts all of which are secured on the same land.	5%
3. Debts (other than listed debentures, debts to which regulation 23(2), (3) or (4) above applies, debts of the descriptions specified in	2½%

Descriptions of Asset	Percentage of general business or long term business amount
<p>paragraph 2 above or paragraph 14 below) which are due or will become due to the society within 12 months of the relevant date (including debts which would become due within that period if the society were to exercise any right to which it is entitled to require payment or repayment of the same) from—</p> <p>(a) any one company and any of its connected companies (not being a dependant of the society),</p> <p>(b) (b) any one unincorporated body of persons not being monies due from the Crown or any public body. 2½%</p>	
<p>4. Debts (other than listed debentures, debts to which regulation 23(2), (3) or (4) above applies, and debts of the descriptions specified in paragraph 2 or 3 above or paragraph 14 below) which will become due to the society from—</p> <p>(a) any one company and any of its connected companies (not being a dependant of the society),</p> <p>(b) (b) any one unincorporated body of persons not being monies due from the Crown or any public body. 1%</p>	1%
<p>5. Listed equity shares in any one company and any of its connected companies (not being a dependant of the society). 2½%</p>	2½%
<p>6. Listed shares (including listed equity shares but only to the extent that such shares may be taken into account in accordance with paragraph 5 above) and listed debentures in any one company and any of its connected companies (not being a dependant of the society). 5%</p>	5%
<p>7. Unlisted shares in any one company and any of its connected companies (not being a dependant of the society). 1%</p>	1%
<p>8. Debenture options and share options (including traded options) in any one company and any of its connected companies (not being a dependant of the society). 1/10%</p>	1/10%
<p>9. Options of the description specified in paragraph 8 above and debts and shares of the descriptions specified in paragraphs 3, 4, 5, 6 and 7 above due or to become due from or held in any one company and any of its</p>	7½%

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Descriptions of Asset	Percentage of general business or long term business amount
connected companies to the extent that such debts and shares and options may be taken into account in accordance with the provisions of those paragraphs.	
10. Debts due or to become due to the society from an individual (other than debts of the descriptions specified in regulation 23(2) above, or paragraph 3(b) or 4(b) above or paragraphs 11 and 14 below).	¼%
11. Debts due or to become due to the society from an individual, being debts which are fully secured on any dwelling or any land appurtenant thereto owned or to be purchased by the individual and used or to be used by him for his own residence.	1%
12. Computer equipment.	5%
13. Office machinery (other than computer equipment), furniture, motor vehicles and other equipment.	2½%

PART II

Description of Assets	Percentage of general business or long term business net premium income
14. Amounts recorded in the society's books as due in respect of contributions or premiums which either—	30%
<ul style="list-style-type: none"> (a) (a) have not been paid, or (b) have been received by an intermediary on behalf of the society, but have not been paid to the society by the intermediary, less any rebates, refunds and commission recorded in the society's books as allowable or payable in respect of any such amounts.	

PART III

- 15.** In this Schedule, a company is a connected company of another company if it is—
- (a) a subsidiary of that other company, or
 - (b) the holding company of that other company, or
 - (c) a subsidiary of the holding company of that other company.

16. In this Schedule, references to “subsidiary” and “holding company” shall have the same meanings as they have for the purposes of the 1981 Regulations as defined in regulation 2 of those Regulations.

17. In this Schedule, a debt is fully secured on land if the amount that would be realised on the sale of that land at a price equal to the most recent proper valuation of that land would (after deducting the reasonable expenses of sale) be sufficient to enable that debt (and any other obligation secured on that land which has priority to or ranks equally with that debt) to be discharged in full.

SCHEDULE 6

Regulation 47

PERMITTED LINKS

PART I

DESCRIPTIONS OF PROPERTY BY REFERENCE TO WHICH BENEFITS MAY BE DETERMINED

1. Securities (other than traded options) listed on any recognised stock exchange specified in paragraph 16 of this Schedule.

2. Securities of a company in which dealings on the exchange are allowed by an exchange which is a recognised investment exchange within the meaning of the Financial Services Act 1986⁽¹⁾ or which are dealt in on a regulated market in another member State which operates regularly and is recognised and open to the public.

3. Securities traded on the over-the-counter market in the United States of America regulated by the National Association of Securities Dealers.

4. Securities of the following governments: the government of Canada or of any province of Canada, the government of the United States of America or of any state of the United States of America.

5. Land (including any interest in land) in Australia, Austria, Belgium, Canada, the Channel Islands, Denmark, the Federal Republic of Germany, Finland, France, Gibraltar, Greece, Hong Kong, Iceland, The Republic of Ireland, Italy, the Isle of Man, Liechtenstein, Luxembourg, the Netherlands, New Zealand, Norway, Portugal, the Republic of South Africa, Singapore, Spain, Sweden, Switzerland, the United Kingdom and the United States of America.

6. Loans—

(a) which are fully secured by mortgage or charge on land (or any interest in land) which—

(i) is situated in any of the countries specified in paragraph 5 above, and

(ii) in the case of a loan made to a person other than a body corporate, is not used wholly or mainly for domestic purposes, and

(b) of which the rate of interest and the due dates for the payment of interest and the repayment of principal can be fully ascertained from the terms of any agreement relating to the loan.

7. Units in an authorised unit trust scheme or a recognised scheme within the meaning of section 207(1) of the Financial Services Act 1986.

(1) 1986 c. 60.

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8. Loans to, shares in, and deposits with, a building society within the meaning of the Building Societies Act 1986⁽²⁾.

9. Loans to or deposits with Her Majesty’s Government in the United Kingdom or any public or local authority or nationalised industry or undertaking in the United Kingdom.

10. Loans to, deposits with (including certificates of deposits issued by), amounts standing to the credit of any account with and bills of exchange accepted by any of the following being, in any case, in the currency of any country,

the Bank of England;

the National Savings Bank;

an institution authorised or deemed to be authorised under the Banking Act 1987⁽³⁾ or a European deposit-taker within the meaning of the Banking Coordination (Second Council Directive) Regulations 1992⁽⁴⁾;

the European Atomic Energy Community;

the European Bank for Reconstruction and Development;

the European Economic Community;

the International Bank for Reconstruction and Development;

the International Finance Corporation;

the International Monetary Fund;

the Inter-American Development Bank;

the African Development Bank;

the Asian Development Bank;

the Caribbean Development Bank;

the European Investment Bank.

11. Income due or to become due in respect of property of any of the descriptions specified in the foregoing paragraphs of this Schedule.

12. Cash.

PART II

INDICES BY REFERENCE TO WHICH BENEFITS MAY BE DETERMINED

13. The Financial Times Industrial Ordinary Stock Index.

14. The Financial Times Actuaries Share Indices jointly compiled by the Financial Times, the Institute of Actuaries and the Faculty of Actuaries.

15. The Financial Times-Stock Exchange 100 Share Index.

PART III

16. In this Schedule “recognised stock exchange” means any of the following—

(2) 1986 c. 53.

(3) 1987 c. 22.

(4) S.I.1992/3218.

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- (a) any stock exchange in any of the countries specified below which is a stock exchange within the meaning of the law of that country relating to stock exchanges—
Austria; Belgium; Brazil; Greece; Iceland; Republic of Ireland; Italy; Japan; Liechtenstein; Luxembourg; Mexico; Netherlands; New Zealand; Norway; Portugal; Spain; Sweden; Switzerland;
- (b) the Stock Exchange; the Copenhagen Stock Exchange; the Helsinki Stock Exchange; the Johannesburg Stock Exchange; the Kuala Lumpur Stock Exchange; the Singapore Stock Exchange;
- (c) any stock exchange in Australia which is a member of the Australian Associated Stock Exchanges, being a prescribed stock exchange within the meaning of Australian law relating to stock exchanges;
- (d) any stock exchange prescribed for the purposes of the Canadian Income Tax Act;
- (e) any stock exchange approved under the laws relating to stock exchanges in the Federal Republic of Germany;
- (f) any stock exchanges set up in France in accordance with the French legislation;
- (g) any stock exchange in Hong Kong which is recognised under the laws of Hong Kong;
- (h) any exchange registered with the Securities and Exchange Commission of the United States as a national securities exchange.

17. For the purposes of this Schedule the expression “traded option” does not include an option granted by the company to the securities of which the option relates, but otherwise means any traded option, whether within the meaning of regulation 19(1) above or not.