

**SECOND SUPPLEMENT TO THE GIBRALTAR  
GAZETTE**

No. 3774 of 29 March, 2010

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LEGAL NOTICE NO. 55 OF 2010.

**FINANCIAL SERVICES (BANKING) ACT**

**BANKING (ACCOUNTS DIRECTIVE) (AMENDMENT) (No.2)  
REGULATIONS 2010**

In exercise of the powers conferred on me by section 79 of the Financial Services (Banking) Act, and in order to complete the transposition into the law of Gibraltar of Article 3 of Directive 2006/46/EC of the European Parliament and of the Council of 14 June 2006 amending Council Directives 78/660/EEC on the annual accounts of certain types of companies, 83/349/EEC on consolidated accounts, 86/635/EEC on the annual accounts and consolidated accounts of banks and other financial institutions and 91/674/EEC on the annual accounts and consolidated accounts of insurance undertakings, and matters connected thereto, I have made the following Regulations—

**Title.**

1. These Regulations may be cited as the Banking (Accounts Directive) (Amendment) (No.2) Regulations 2010.

**Amendments to the Banking (Accounts Directive) Regulations, 1997.**

2.(1) The Banking (Accounts Directive) Regulations, 1997 are amended in accordance with the provisions of this regulation.

(2) Regulation 11ZZAA(6) is amended by substituting for the words “Companies to which Schedule 1 paragraph 1(1) of the Companies (Accounts) Act 1999 applies may choose not to apply the provisions of sub-regulation (4)(a) and (b).”, the following words—

“The statutory auditors shall also express an opinion concerning the consistency or otherwise of the annual report with the annual accounts for the same financial year.”.

(3) Chapter III of Schedule 1 is amended by inserting after paragraph 35 the following paragraph–

“36. Subject to Part III of the Act, in addition to the information required under this Schedule and the Act, the notes on the accounts must disclose information on the following matters at least–

- “(a) the nature and business purpose of the company’s arrangements that are not included in the balance sheet and the financial impact on the company of those arrangements, provided that the risks or benefits arising from such arrangements are material and in so far as the disclosure of such risks or benefits is necessary for assessing the financial position of the company: provided that companies referred to in paragraph 2 of this Schedule may limit the information required to be disclosed by this paragraph to the nature and business purpose of such arrangements;
- (b) transactions which have been entered into with related parties, as defined in the IAS Regulation, by the company, including the amount of such transactions, the nature of the related party relationship and other information about the transactions necessary for an understanding of the financial position of the company, if such transactions are material and have not been concluded under normal market conditions. Information about individual transactions may be aggregated according to their nature except where separate information is necessary for an understanding of the effects of related party transactions on the financial position of the company:

provided that–

- (a) companies referred to in paragraph 2 of this Schedule may omit the disclosures prescribed in this paragraph unless those companies are public companies limited by shares or public companies limited by guarantee and having a

share capital, in which case disclosure may be limited to, as a minimum, transactions entered into directly or indirectly between:

- (i) the company and its major shareholders; and
  - (ii) the company and the members of the administrative, management and supervisory bodies; and
- (b) transactions entered into between two or more members of a group are exempt from the provisions of this paragraph provided that subsidiaries which are party to the transaction are wholly owned by such a member.”.

Dated 29th March, 2010.

P R CARUANA QC,  
Minister for finance.

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**EXPLANATORY MEMORANDUM**

These Regulations amend the Banking (Accounts Directive) Regulations, 1997 in order to complete the transposition of Article 3 of Directive 2006/46/EC of the European Parliament and of the Council of 14 June 2006.

