Draft Regulations laid before Parliament under paragraph 2(2) of Schedule 2 to the European Communities Act 1972, for approval by resolution of each House of Parliament.

DRAFT STATUTORY INSTRUMENTS

2012 No. XXXX

COMPANIES

The Companies Act 2006 (Amendment of Part 23) (Investment Companies) Regulations 2012

Made - - - -	*****
Coming into force - -	*6th April 2012*

The Secretary of State is a Minister designated(**1**) for the purposes of section 2(2) of the European Communities Act 1972(**2**) in relation to the creation, operation, regulation or dissolution of companies and other forms of business organisation.

In exercise of the powers conferred by that section, the Secretary of State makes the following Regulations.

In accordance with paragraph 2(2)(**3**) of Schedule 2 to the European Communities Act 1972, a draft of this instrument was laid before Parliament and approved by a resolution of each House of Parliament.

Citation and commencement

1. These Regulations may be cited as the Companies Act 2006 (Amendment of Part 23) (Investment Companies) Regulations 2012 and come into force on 6th April 2012.

Amendments to Part 23 of the Companies Act 2006

2.—(1) Part 23 of the Companies Act 2006(**4**) is amended as follows.

(2) In section 832(5) (conditions investment company must meet in order to make a distribution under section 832)—

(a) for paragraph (a) substitute the following—

(**1**) S.I. 2007/193.
(**2**) 1972 c. 68. Section 2(2) was amended by section 27(1)(a) of the Legislative and Regulatory Reform Act 2006 (c. 51) and by Part 1 of the Schedule to the European Union (Amendment) Act 2008 (c.7). The enabling powers of section 2(2) were extended by virtue of the amendment of section 1(2) by section 1 of the European Economic Area Act 1993 (c. 51).
(**3**) Paragraph 2(2) was amended by section 27(2)(a) of the Legislative and Regulatory Reform Act 2006 (c. 51).
(**4**) 2006 c. 46.

"(a) the company's shares must be shares admitted to trading on a regulated market;";

(b) omit paragraph (b)(i) (together with the "or" following it); and

(c) in paragraph (b)(ii) omit "or any capital profits (realised or unrealised)".

(3) In section 832(6) (definitions applying for the purpose of conditions which investment company must meet in order to make a distribution under section 832) omit paragraph (a) (together with the "and" following it).

(4) In section 833(1)(b) (meaning of "investment company"), for "requirements" substitute "requirement".

(5) In section 833(2) (requirements to be complied with after giving notice to registrar of intention to carry on business as an investment company)—

(a) for "Those requirements are" substitute "The requirement is";

(b) in paragraph (a), for "mainly in securities" substitute "in shares, land or other assets"; and

(c) omit paragraphs (b), (c) and (d).

(6) Omit section 833(3).

(7) Omit sections 834 and 835.

Transitional provision

3.—(1) The repeal of section 833(2)(d) of the Companies Act 2006 (requirement not to retain more than 15% of income in each accounting reference period) applies only in relation to accounting reference periods of an existing investment company beginning on or after 6th April 2012.

(2) In this regulation, "existing investment company" means a company that gave notice under section 833(1) of that Act (notice to registrar of intention to carry on business as an investment company) before 6th April 2012.

Consequential repeals

4. The following are repealed—

(a) paragraph 11(4) of Schedule 22 to the Finance Act 2009(**5**);

(b) paragraph 489 of Schedule 1 to the Corporation Tax Act 2010(**6**).

Name
Minister for Employment Relations, Consumer and Postal Affairs,
Department for Business, Innovation and Skills

Date

(**5**) 2009 c. 10.
(**6**) 2010 c. 4.