

Credit Institutions: disclosures by holding company of aggregate amounts in respect of connected persons

311. (1) In this section—

“relevant period” means the financial year to which the financial statements concerned relate;

“relevant persons” means persons who, at any time during the financial year to which the financial statements concerned relate, were connected with a director of the company or the institution referred to in subsection (2);

“relevant transaction, arrangement or agreement” shall be read in accordance with subsection (3);

“transactions, arrangements or agreements” means any of the following classes of transactions, arrangements or agreements:

(a) loans, quasi-loans or credit transactions entered into with or for relevant persons;

(b) agreements to enter into any loans, quasi-loans or credit transactions with or for relevant persons;

(c) guarantees entered into or security provided on behalf of relevant persons in connection with a loan, quasi-loan or credit transaction entered into with or for such persons;

(d) agreements to enter into guarantees or provide any security on behalf of relevant persons in connection with a loan, quasi-loan or credit transaction entered into with or for such persons;

(e) arrangements referred to in subparagraph (i) or (ii) of either section 307 (1)(e) or (2)(e) where the transactions referred to in that subparagraph (1) or (2), as the case may be, or (in the case of that subparagraph (ii)) that subparagraph (i)) were entered into with or for relevant persons.

(2) The group financial statements of a company which is the holding company of a credit institution shall contain a statement, by way of notes to those statements, of the matters specified in subsection (3) in relation to transactions, arrangements or agreements made by the credit institution.

(3) The matters mentioned in subsection (2) are:

(a) the aggregate amounts outstanding at the end of the relevant period under transactions, arrangements or agreements made by the institution and coming within any particular paragraph of subsection (1) (which transactions, arrangements or agreements, coming within any particular such paragraph, are referred to subsequently in this section as “relevant transactions, arrangements or agreements”);

(b) the aggregate maximum amounts outstanding during the relevant period under relevant transactions, arrangements or agreements made by the institution;

(c) the number of relevant persons for or with whom relevant transactions, arrangements and agreements that subsisted at the end of the relevant period were made by the institution; and

(d) the maximum number of relevant persons for or with whom relevant transactions, arrangements and agreements that subsisted at any time during the relevant period were made by the institution.

(4) A transaction, arrangement or agreement to which subsection (2) applies need not be included in the statement referred to in that subsection if—

(a) it is entered into by the institution concerned in the ordinary course of its business, and

(b) its value is not greater, and its terms no more favourable,

in respect of the person for or with whom it is made, than that or those which—

(i) the institution ordinarily offers, or

(ii) it is reasonable to expect the institution to have offered,

to or in respect of a person of the same financial standing but unconnected with the institution.

(5) In reckoning the aggregate maximum amounts or the maximum number of persons referred to in subsection (3)(b) or (d), as appropriate, there shall not be counted, as the case may be—

(a) relevant transactions, arrangements and agreements made by the institution concerned for or with a person if the aggregate maximum amount outstanding during the relevant period under relevant transactions, arrangements and agreements made for or with him or her by it does not exceed €7,500, or

(b) a person for or with whom such transactions, arrangements and agreements have been so made and for whom the aggregate maximum amount outstanding as mentioned in paragraph (a) does not exceed the amount there mentioned.

(6) For the purposes of this section, “amount outstanding” means the amount of the outstanding liabilities of the person for or with whom the transaction, arrangement or agreement in question was made, or, in the case of a guarantee of security, the amount guaranteed or secured.

(7) Where a holding company avails itself of an exemption under this Part from the requirement to prepare group financial statements in relation to any financial year, subsection (2) shall have effect in relation to the company and that financial year as if “entity financial statements” were substituted for “group financial statements”.

(8) A word or expression used in this section and also used in sections 307 to 309 has the same meaning in this section as it has in those sections.