
STATUTORY INSTRUMENTS

1986 No. 1032

The Companies (Northern Ireland) Order 1986

PART XI

ENFORCEMENT OF FAIR DEALING BY DIRECTORS

Restrictions on directors taking financial advantage

Prohibition on tax-free payments to directors

319. ^{F1}

Annotations:

F1 Art. 319 repealed (6.4.2007) by Companies Act 2006 (c. 46), ss. 1284(2), 1295, 1300(2), **Sch. 16**; S.I. 2006/3428, arts. 4(2)(a), 7(c), Sch. 4 Pt. 2 (subject to art. 5, Sch. 1 and with arts. 6, 8, Sch. 5)

Payment to director for loss of office, etc.

320. ^{F2}

Annotations:

F2 Arts. 320-324 repealed (1.10.2007) by Companies Act 2006 (c. 46), ss. 1284(2), 1295, 1300(2), **Sch. 16**; S.I. 2007/2194, arts. 1(3)(a), **8**, Sch. 2 Pt. 2 (with art. 12, Sch. 3 para. 12(3))

Company approval for property transfer

321. ^{F3}

Annotations:

F3 Arts. 320-324 repealed (1.10.2007) by Companies Act 2006 (c. 46), ss. 1284(2), 1295, 1300(2), **Sch. 16**; S.I. 2007/2194, arts. 1(3)(a), **8**, Sch. 2 Pt. 2 (with art. 12, Sch. 3 para. 12(3))

Director's duty of disclosure on takeover, etc.

322. ^{F4}

Annotations:

F4 Arts. 320-324 repealed (1.10.2007) by Companies Act 2006 (c. 46), ss. 1284(2), 1295, 1300(2), **Sch. 16**; S.I. 2007/2194, arts. 1(3)(a), **8**, Sch. 2 Pt. 2 (with art. 12, Sch. 3 para. 12(3))

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Consequences of non-compliance with Article 322

323. ^{F5}

Annotations:

F5 Arts. 320-324 repealed (1.10.2007) by Companies Act 2006 (c. 46), ss. 1284(2), 1295, 1300(2), **Sch. 16**; S.I. 2007/2194, arts. 1(3)(a), **8**, Sch. 2 Pt. 2 (with art. 12, sch. 3 para. 12(3))

Provisions supplementing Articles 320 to 323

324. ^{F6}

Annotations:

F6 Arts. 320-324 repealed (1.10.2007) by Companies Act 2006 (c. 46), ss. 1284(2), 1295, 1300(2), **Sch. 16**; S.I. 2007/2194, arts. 1(3)(a), **8**, Sch. 2 Pt. 2 (with art. 12, Sch. 3 para. 12(3))

Directors to disclose interest in contracts

325. ^{F7}

Annotations:

F7 Art. 325 repealed (1.10.2008) by Companies Act 2006 (c. 46), ss. 1284(2), 1295, 1300(2), **Sch. 16**; S.I. 2007/3495, **art. 8(a)**, Sch. 3 Pt. 2 (with arts. 7, 12, Sch. 4 paras. 48(2), 50(2))

Directors' service contracts to be open to inspection

326. ^{F8}

Annotations:

F8 Arts. 326-330 repealed (1.10.2007) by Companies Act 2006 (c. 46), ss. 1284(2), 1295, 1300(2), **Sch. 16**; S.I. 2007/2194, arts. 1(3)(a), **8**, Sch. 2 Pt. 2 (with art. 12, Sch. 3 paras. 6(4), 7(3), 13(4))

Director's contract of employment for more than 5 years

327. ^{F9}

Annotations:

F9 Arts. 326-330 repealed (1.10.2007) by Companies Act 2006 (c. 46), ss. 1284(2), 1295, 1300(2), **Sch. 16**; S.I. 2007/2194, arts. 1(3)(a), **8**, Sch. 2 Pt. 2 (with art. 12, Sch. 3 paras. 6(4), 7(3), 13(4))

Substantial property transactions involving directors, etc.

328. ^{F10} ^{F11}

Annotations:

F10 mod. by 2000 c. 38
F11 Arts. 326-330 repealed (1.10.2007) by Companies Act 2006 (c. 46), ss. 1284(2), 1295, 1300(2), **Sch. 16**; S.I. 2007/2194, arts. 1(3)(a), **8**, Sch. 2 Pt. 2 (with art. 12, Sch. 3 paras. 6(4), 7(3), 13(4))

Exceptions from Article 328

329. ^{F12}

Annotations:

F12 Arts. 326-330 repealed (1.10.2007) by Companies Act 2006 (c. 46), ss. 1284(2), 1295, 1300(2), Sch. 16; S.I. 2007/2194, arts. 1(3)(a), 8, Sch. 2 Pt. 2 (with art. 12, Sch. 3 paras. 6(4), 7(3), 13(4))

Liabilities arising from contravention of Article 328

330. ^{F13}

Annotations:

F13 Arts. 326-330 repealed (1.10.2007) by Companies Act 2006 (c. 46), ss. 1284(2), 1295, 1300(2), Sch. 16; S.I. 2007/2194, arts. 1(3)(a), 8, Sch. 2 Pt. 2 (with art. 12, Sch. 3 paras. 6(4), 7(3), 13(4))

[^{F14}Invalidity of certain transactions involving directors, etc.

330A.—(1) This Article applies where a company enters into a transaction to which the parties include—

- (a) a director of the company or of its holding company, or
- (b) a person connected with such a director or a company with whom such a director is associated,

and the board of directors, in connection with the transaction, exceed any limitation on their powers under the company's constitution.

(2) The transaction is voidable at the instance of the company.

(3) Whether or not it is avoided, any such party to the transaction as is mentioned in paragraph (1) (a) or (b), and any director of the company who authorised the transaction, is liable—

- (a) to account to the company for any gain which he has made directly or indirectly by the transaction, and
- (b) to indemnify the company for any loss or damage resulting from the transaction.

(4) Nothing in the above provisions shall be construed as excluding the operation of any other statutory provision or rule of law by virtue of which the transaction may be called in question or any liability to the company may arise.

(5) The transaction ceases to be voidable if—

- (a) restitution of any money or other asset which was the subject-matter of the transaction is no longer possible, or
- (b) the company is indemnified for any loss or damage resulting from the transaction, or
- (c) rights acquired bona fide for value and without actual notice of the directors' exceeding their powers by a person who is not party to the transaction would be affected by the avoidance, or
- (d) the transaction is ratified by the company in general meeting, by ordinary or special resolution or otherwise as the case may require.

(6) A person other than a director of the company is not liable under paragraph (3) if he shows that at the time the transaction was entered into he did not know that the directors were exceeding their powers.

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(7) This Article does not affect the operation of Article 45A in relation to any party to the transaction not within paragraph (1)(a) or (b).

But where a transaction is voidable by virtue of this Article and valid by virtue of that Article in favour of such a person, the court may, on the application of that person or of the company, make such order affirming, severing or setting aside the transaction, on such terms, as appear to the court to be just.

(8) In this Article “transaction” includes any act; and the reference in paragraph (1) to limitations under the company’s constitution includes limitations deriving—

- (a) from a resolution of the company in general meeting or a meeting of any class of shareholders, or
- (b) from any agreement between the members of the company or of any class of shareholders.]

Annotations:

F14 1990 NI 10

Contracts with sole members who are directors

330B. ^{F15}

Annotations:

F15 Art. 330B repealed (1.10.2007) by Companies Act 2006 (c. 46), ss. 1284(2), 1295, 1300(2), Sch. 16; S.I. 2007/2194, arts. 1(3)(a), 8, Sch. 2 Pt. 2 (with art. 12, Sch. 3 para. 14(2))

Share dealings by directors and their families

Prohibition on directors dealing in share options

331. ^{F16}

Annotations:

F16 Arts. 331-337 repealed (6.4.2007) by Companies Act 2006 (c. 46), ss. 1284(2), 1295, 1300(2), Sch. 16; S.I. 2006/3428, arts. 4(2)(a), 7(c), Sch. 4 Pt. 2 (subject to art. 5, Sch. 1 and with arts. 6, 8, Sch. 5)

Duty of director to disclose shareholdings in own company

332. ^{F17}

Annotations:

F17 Arts. 331-337 repealed (6.4.2007) by Companies Act 2006 (c. 46), ss. 1284(2), 1295, 1300(2), Sch. 16; S.I. 2006/3428, arts. 4(2)(a), 7(c), Sch. 4 Pt. 2 (subject to art. 5, Sch. 1 and with arts. 6, 8, Sch. 5)

Register of directors’ interests notified under Article 332

333. ^{F18}

Annotations:

F18 Arts. 331-337 repealed (6.4.2007) by Companies Act 2006 (c. 46), ss. 1284(2), 1295, 1300(2), **Sch. 16**; S.I. 2006/3428, arts. 4(2)(a), **7(c)**, Sch. 4 Pt. 2 (subject to art. 5, Sch. 1 and with arts. 6, 8, Sch. 5)

Sanctions for non-compliance

334. ^{F19}

Annotations:

F19 Arts. 331-337 repealed (6.4.2007) by Companies Act 2006 (c. 46), ss. 1284(2), 1295, 1300(2), **Sch. 16**; S.I. 2006/3428, arts. 4(2)(a), **7(c)**, Sch. 4 Pt. 2 (subject to art. 5, Sch. 1 and with arts. 6, 8, Sch. 5)

Extension of Article 331 to spouses [^{F20}, civil partners] and children

335. ^{F21}

Annotations:

F20 2004 c.33

F21 Arts. 331-337 repealed (6.4.2007) by Companies Act 2006 (c. 46), ss. 1284(2), 1295, 1300(2), **Sch. 16**; S.I. 2006/3428, arts. 4(2)(a), **7(c)**, Sch. 4 Pt. 2 (subject to art. 5, Sch. 1 and with arts. 6, 8, Sch. 5)

Extension of Article 332 to spouses [^{F22}, civil partners] and children

336. ^{F23}

Annotations:

F22 2004 c.33

F23 Arts. 331-337 repealed (6.4.2007) by Companies Act 2006 (c. 46), ss. 1284(2), 1295, 1300(2), **Sch. 16**; S.I. 2006/3428, arts. 4(2)(a), **7(c)**, Sch. 4 Pt. 2 (subject to art. 5, Sch. 1 and with arts. 6, 8, Sch. 5)

Duty to notify stock exchange of matters notified under Articles 332 to 336

337. ^{F24}

Annotations:

F24 Arts. 331-337 repealed (6.4.2007) by Companies Act 2006 (c. 46), ss. 1284(2), 1295, 1300(2), **Sch. 16**; S.I. 2006/3428, arts. 4(2)(a), **7(c)**, Sch. 4 Pt. 2 (subject to art. 5, Sch. 1 and with arts. 6, 8, Sch. 5)

*Restrictions on a company's power to make loans,
etc. to directors and persons connected with them*

General restriction on loans, etc. to directors and persons connected with them

338. ^{F25}

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Annotations:

F25 Art. 338 repealed (1.10.2007) by Companies Act 2006 (c. 46), ss. 1284(2), 1295, 1300(2), **Sch. 16**; S.I. 2007/2194, arts. 1(3)(a), **8**, Sch. 2 Pt. 2 (with art. 12, Sch. 3 para. 8(3))

Interpretation for Articles 338ff.

339. ^{F26}

Annotations:

F26 Art. 339 repealed (1.10.2007) by Companies Act 2006 (c. 46), ss. 1284(2), 1295, 1300(2), **Sch. 16**; S.I. 2007/2194, arts. 1(3)(a), **8**, Sch. 2 Pt. 2 (with art. 12, Sch. 3 para. 8(3))

Short-term quasi-loans

340. ^{F27}

Annotations:

F27 Art. 340 repealed (1.10.2007) by Companies Act 2006 (c. 46), ss. 1284(2), 1295, 1300(2), **Sch. 16**; S.I. 2007/2194, arts. 1(3)(a), **8**, Sch. 2 Pt. 2 (with art. 12, Sch. 3 para. 8(3))

Inter-company loans in the same group

341. ^{F28}

Annotations:

F28 Art. 341 repealed (1.10.2007) by Companies Act 2006 (c. 46), ss. 1284(2), 1295, 1300(2), **Sch. 16**; S.I. 2007/2194, arts. 1(3)(a), **8**, Sch. 2 Pt. 2 (with art. 12, Sch. 3 para. 8(3))

Loans of small amounts

342. ^{F29}

Annotations:

F29 Art. 342 repealed (1.10.2007) by Companies Act 2006 (c. 46), ss. 1284(2), 1295, 1300(2), **Sch. 16**; S.I. 2007/2194, arts. 1(3)(a), **8**, Sch. 2 Pt. 2 (with art. 12, Sch. 3 para. 8(3))

Minor and business transactions

343. ^{F30}

Annotations:

F30 Art. 343 repealed (1.10.2007) by Companies Act 2006 (c. 46), ss. 1284(2), 1295, 1300(2), **Sch. 16**; S.I. 2007/2194, arts. 1(3)(a), **8**, Sch. 2 Pt. 2 (with art. 12, Sch. 3 para. 8(3))

Transactions at behest of holding company

344. ^{F31}

Annotations:

F31 Art. 344 repealed (1.10.2007) by Companies Act 2006 (c. 46), ss. 1284(2), 1295, 1300(2), **Sch. 16**; S.I. 2007/2194, arts. 1(3)(a), **8**, Sch. 2 Pt. 2 (with art. 12, Sch. 3 para. 8(3))

Funding of director's expenditure on duty to company

345. ^{F32}

Annotations:

F32 Art. 345 repealed (1.10.2007) by Companies Act 2006 (c. 46), ss. 1284(2), 1295, 1300(2), **Sch. 16**; S.I. 2007/2194, arts. 1(3)(a), **8**, Sch. 2 Pt. 2 (with art. 12, Sch. 3 para. 8(3))

[^{F33}Funding of director's expenditure on defending proceedings

345A. ^{F34}]

Annotations:

F33 Art. 345A inserted (6.4.2006) by Companies (Audit, Investigations and Community Enterprise) (Northern Ireland) Order 2005 (S.I. 2005/1967 (N.I. 17)), arts. 1(2), 19; S.R. 2006/93, **art. 2**, Sch.
F34 Art. 345A repealed (1.10.2007) by Companies Act 2006 (c. 46), ss. 1284(2), 1295, 1300(2), **Sch. 16**; S.I. 2007/2194, arts. 1(3)(a), **8**, Sch. 2 Pt. 2 (with art. 12, Sch. 3 para. 8(3))

Loan or quasi-loan by money-lending company

346. ^{F35}

Annotations:

F35 Art. 346 repealed (1.10.2007) by Companies Act 2006 (c. 46), ss. 1284(2), 1295, 1300(2), **Sch. 16**; S.I. 2007/2194, arts. 1(3)(a), **8**, Sch. 2 Pt. 2 (with art. 12, Sch. 3 para. 8(3))

“Relevant amounts” for the purposes of Articles 342ff.

347. ^{F36}

Annotations:

F36 Art. 347 repealed (1.10.2007) by Companies Act 2006 (c. 46), ss. 1284(2), 1295, 1300(2), **Sch. 16**; S.I. 2007/2194, arts. 1(3)(a), **8**, Sch. 2 Pt. 2 (with art. 12, Sch. 3 para. 8(3))

“Value” of transactions and arrangements

348. ^{F37}

Annotations:

F37 Art. 348 repealed (1.10.2007) by Companies Act 2006 (c. 46), ss. 1284(2), 1295, 1300(2), **Sch. 16**; S.I. 2007/2194, arts. 1(3)(a), **8**, Sch. 2 Pt. 2 (with art. 12, Sch. 3 para. 8(3))

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Civil remedies for breach of Article 338

349. ^{F38}

Annotations:

F38 Art. 349 repealed (1.10.2007) by Companies Act 2006 (c. 46), ss. 1284(2), 1295, 1300(2), **Sch. 16**; S.I. 2007/2194, arts. 1(3)(a), **8**, Sch. 2 Pt. 2 (with art. 12, Sch. 3 para. 8(3))

Criminal penalties for breach of Article 338

350. ^{F39}

Annotations:

F39 Art. 350 repealed (1.10.2007) by Companies Act 2006 (c. 46), ss. 1284(2), 1295, 1300(2), **Sch. 16**; S.I. 2007/2194, arts. 1(3)(a), **8**, Sch. 2 Pt. 2 (with art. 12, Sch. 3 para. 8(3))

Record of transactions not disclosed in company accounts

351. ^{F40}

Annotations:

F40 Art. 351 repealed (6.4.2007) by Companies Act 2006 (c. 46), ss. 1284(2), 1295, 1300(2), **Sch. 16**; S.I. 2006/3428, arts. 4(2)(a), **7(e)**, Sch. 4 Pt. 2 (subject to art. 5, Sch. 1 and with arts. 6, 8, Sch. 5)

Exceptions from Article 351

352. ^{F41}

Annotations:

F41 Art. 352 repealed (6.4.2007) by Companies Act 2006 (c. 46), ss. 1284(2), 1295, 1300(2), **Sch. 16**; S.I. 2006/3428, arts. 4(2)(a), **7(e)**, Sch. 4 Pt. 2 (subject to art. 5, Sch. 1 and with arts. 6, 8, Sch. 5)

Supplementary

Power to increase financial limits

353. ^{F42}

Annotations:

F42 Art. 353 repealed (1.10.2007) by Companies Act 2006 (c. 46), ss. 1284(2), 1295, 1300(2), **Sch. 16**; S.I. 2007/2194, arts. 1(3)(a), **8**, Sch. 2 Pt. 2 (with art. 12)

“Connected persons”, etc.

354. ^{F43}

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Annotations:

F43 Art. 354 repealed (1.10.2007) by Companies Act 2006 (c. 46), ss. 1284(2), 1295, 1300(2), **Sch. 16**; S.I. 2007/2194, arts. 1(3)(a), **8**, Sch. 2 Pt. 2 (with art. 12)

Transactions under foreign law

355. ^{F44}

Annotations:

F44 Art. 355 repealed (1.10.2007) by Companies Act 2006 (c. 46), ss. 1284(2), 1295, 1300(2), **Sch. 16**; S.I. 2007/2194, arts. 1(3)(a), **8**, Sch. 2 Pt. 2 (with art. 12)

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Changes and effects yet to be applied to the whole Order associated Parts and Chapters:

- Order applied (with modifications) by S.I. 2011/245 Sch. 6 Pt. 1
- Order modified by S.I. 2009/317 art. 3 Sch.
- Order savings for effects of 2006 c. 46 Sch. 16 by S.I. 2009/1801 Sch. 8
- Order savings for effects of 2006 c. 46 Sch. 16 by S.I. 2009/1804 Sch. 1 2

Whole provisions yet to be inserted into this Order (including any effects on those provisions):

- s. 172D(3) words substituted by S.I. 2007/1093 Sch. 3 para. 2
- Sch. 4 para. 89 savings for effects of 2006 c. 46 Sch. 16 by S.I. 2008/948 art. 9(1)
- Sch. 4 para. 88 savings for effects of 2006 c. 46 Sch. 16 by S.I. 2008/948 art. 9(1)(2)
- Sch. 4 para. 87 savings for effects of 2006 c. 46 Sch. 16 by S.I. 2008/948 art. 9(2)
- Sch. 6 para. 15(a)(b) words repealed by S.I. 2008/948 Sch. 1 para. 147(1)(a) Sch. 2
- Sch. 6 para. 16(a)(b) words repealed by S.I. 2008/948 Sch. 1 para. 147(1)(b) Sch. 2
- Sch. 15D para. 16(j)(k) inserted by S.I. 2008/1277 Sch. 2 para. 79(b)
- Sch. 15D para. 16(h) revoked by S.I. 2008/1277 Sch. 2 para. 79(a) Sch. 4 Pt. 2
- Sch. 15D para. 36 words substituted by S.I. 2007/1093 Sch. 4 para. 54(a)
- Sch. 15D para. 36 words substituted by S.I. 2007/1093 Sch. 4 para. 54(b)
- Sch. 15D para. 1 words substituted by S.I. 2008/948 Sch. 1 para. 149
- art. 21(2)(ba)(bb) substituted for art. 21(2)(b) by S.I. 2008/948 Sch. 1 para. 113
- art. 250A(2A) inserted by S.R. 2008/133 reg. 2(2)
- art. 372(1)(j) added by S.R. 2008/379 reg. 2(2)
- art. 372A heading text amended by S.R. 2008/379 reg. 3(a)
- art. 372B-372D inserted by S.R. 2008/379 reg. 4
- art. 446D and cross-heading inserted by S.I. 2008/948 Sch. 1 para. 141

Commencement Orders yet to be applied to the The Companies (Northern Ireland) Order 1986**Commencement Orders bringing legislation that affects this Order into force:**

- S.I. 2007/1093 art. 2 5 Sch. 2 commences (2006 c. 46)
- S.I. 2007/2194 art. 2-5 8 Sch. 2 commences (2006 c. 46)
- S.I. 2007/2607 art. 2 commences (2006 c. 46)
- S.I. 2007/3495 art. 3-5 8 Sch. 2 3 commences (2006 c. 46)
- S.I. 2008/674 art. 2 commences (2006 c. 46)
- S.I. 2008/1886 art. 2 commences (2006 c. 46)
- S.I. 2008/2860 art. 3 4 Sch. 1 commences (2006 c. 46)
- S.I. 2009/296 art. 2 3 Sch. commences (2009 c. 1)
- S.I. 2009/1604 art. 2 commences (2005 c. 4)
- S.R. 2007/95 art. 2 commences (S.I. 1986/1032 (N.I.))
- S.R. 2007/194 art. 2 Sch. commences (S.I. 2006/3336 (N.I.))
- S.R. 2013/145 art. 2 Sch. commences (2008 c. 12 (N.I.))