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S C H E D U L E S .

SCHEDULE 18

SUPPLEMENTARY PROVISIONS ABOUT CLOSE COMPANIES.

PART I

INTERPRETATION GENERALLY.

" Control ".

- 3 (1) For purposes of this Schedule a person shall be taken to have control of a company—
- (a) if he exercises, or is able to exercise, or is entitled to acquire, control, whether direct or indirect, over the company's affairs, and in particular, but without prejudice to the generality of the preceding words, if he possesses or is entitled to acquire, the greater part of the share capital or voting power in the company; or
 - (b) if he possesses or is entitled to acquire, either—
 - (i) the greater part of the issued share capital of the company ; or
 - (ii) such part of that capital as would, if the whole of the income of the company were in fact distributed to the members, entitle him to receive the greater part of the amount so distributed ; or
 - (iii) such redeemable share capital as would entitle him to receive on its redemption the greater part of the assets which, in the event of a winding up, would be available for distribution among members ; or
 - (c) if in the event of a winding up he would be entitled to the greater part of the assets available for distribution among members.

Where two or more persons together satisfy any of the conditions in paragraphs (a) to (c) above, they shall be taken to have control of the company.

- (2) In sub-paragraph (1) above " member " includes any person having a share or interest in the capital or income of the company, and for purposes of that sub-paragraph a person shall be treated as entitled to acquire anything which he is entitled to acquire at a future date or will at a future date be entitled to acquire ; but for the purposes of sub-paragraph (1)(b)(iii) and (c) any such loan creditor as is mentioned in paragraph 4(1)(b) below may be treated as a member (and the references to share capital as including loan capital).
- (3) For purposes of sub-paragraph (1) above there shall be attributed to any person any rights or powers of a nominee for him, that is to say, any rights or powers which another person possesses on his behalf or may be required to exercise on his direction or behalf.
- (4) For purposes of sub-paragraph (1) above there may also be attributed to any person all the rights and powers of any company of which he has, or he and associates of his

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have, control or any two or more such companies, or of any associate of his or of any two or more associates of his, including those attributed to a company or associate under sub-paragraph (3) above but not those attributed to an associate under this sub-paragraph ; and such attributions shall be made under this sub-paragraph as will result in the company being treated as under the control of five or fewer participators, if it can be so treated.