



# British Telecommunications Act 1981

## 1981 CHAPTER 38

### PART I

#### NEW CORPORATION FOR THE PROVISION OF TELECOMMUNICATION AND DATA PROCESSING SERVICES

##### *Powers and duties of the Corporation*

#### **5 Control of wholly owned subsidiaries**

- (1) As regards any wholly owned subsidiary of the Corporation, the Corporation shall so exercise the rights conferred on it by the holding of its interest therein as to secure that no person is elected chairman of the board of directors of the subsidiary except after consultation with the Secretary of State as to his suitability for election.
- (2) As regards any wholly owned subsidiary of the Corporation, the Corporation shall secure that, notwithstanding anything in the subsidiary's memorandum or articles of association, the subsidiary does not—
  - (a) engage in any activity which the Corporation itself has no power to engage in or has power to engage in only with the consent of the Secretary of State;
  - (b) issue any of its shares, stock or debentures to a person other than—
    - (i) the Corporation or another wholly owned subsidiary of the Corporation; or
    - (ii) a person who is to hold them as a nominee of the Corporation or of a wholly owned subsidiary of the Corporation; or
  - (c) transfer any interest of the subsidiary in another wholly owned subsidiary of the Corporation to a person not within paragraph (b)(i) or (ii),  
except with the consent of, or in accordance with the terms of any general authority given by, the Secretary of State.
- (3) As regards any wholly owned subsidiary of the Corporation, the Corporation shall not transfer any of its interest therein to a person other than—
  - (a) another wholly owned subsidiary of the Corporation; or

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*Status: This is the original version (as it was originally enacted). This  
item of legislation is currently only available in its original format.*

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- (b) a person who is to hold it as a nominee of the Corporation or of a wholly owned subsidiary of the Corporation,  
except with the consent of, or in accordance with the terms of any general authority given by, the Secretary of State.
- (4) As regards any wholly owned subsidiary of the Corporation, the Corporation shall secure that the subsidiary seeks consultation with any organisation appearing to the subsidiary to be appropriate with a view to the conclusion between it and that organisation of such agreements as appear to the parties to be desirable with respect to the establishment and maintenance of machinery for—
  - (a) the settlement of terms and conditions of employment of persons employed by the subsidiary;
  - (b) the promotion and encouragement of measures affecting efficiency in the carrying on by the subsidiary of its activities, including, in particular, the promotion and encouragement of the training of persons employed by the subsidiary; and
  - (c) the promotion and encouragement of measures affecting the safety, health and welfare of persons employed by the subsidiary.