



Companies Act 1985

1985 CHAPTER 6

PART I

FORMATION AND REGISTRATION OF COMPANIES ; JURIDICAL STATUS AND MEMBERSHIP

CHAPTER I

COMPANY FORMATION

A company's membership

22 Definition of " member "

- (1) The subscribers of a company's memorandum are deemed to have agreed to become members of the company, and on its registration shall be entered as such in its register of members.
- (2) Every other person who agrees to become a member of a company, and whose name is entered in its register of members, is a member of the company.

23 Membership of holding company

- (1) Except in the cases mentioned below in this section, a body corporate cannot be a member of a company which is its holding company ; and any allotment or transfer of shares in a company to its subsidiary is void.
- (2) This does not prevent a subsidiary which was, on 1st July 1948, a member of its holding company, from continuing to be a member; but (subject to subsection (4)) the subsidiary has no right to vote at meetings of the holding company or any class of its members.

Status: This is the original version (as it was originally enacted).

- (3) Subject as follows, subsections (1) and (2) apply in relation to a nominee for a body corporate which is a subsidiary, as if references to such a body corporate included a nominee for it.
- (4) Nothing in this section applies where the subsidiary is concerned as personal representative, or where it is concerned as trustee, unless the holding company or a subsidiary of it is beneficially interested under the trust and is not so interested only by way of security for the purposes of a transaction entered into by it in the ordinary course of a business which includes the lending of money.

Schedule 2 has effect for the interpretation of the reference in this subsection to a company or its subsidiary being beneficially interested.

- (5) In relation to a company limited by guarantee or unlimited which is a holding company, the reference in subsection (1) to shares (whether or not the company has a share capital) includes the interest of its members as such, whatever the form of that interest

24 Minimum membership for carrying on business

If a company carries on business without having at least two members and does so for more than 6 months, a person who, for the whole or any part of the period that it so carries on business after those 6 months—

- (a) is a member of the company, and
- (b) knows that it is carrying on business with only one member,

is liable (jointly and severally with the company) for the payment of the company's debts contracted during the period or, as the case may be, that part of it.