



Companies Act 1985

1985 CHAPTER 6

PART XIV

INVESTIGATION OF COMPANIES AND THEIR AFFAIRS; REQUISITION OF DOCUMENTS

Other powers of investigation available to the Secretary of State

442 Power to investigate company ownership.

- (1) Where it appears to the Secretary of State that there is good reason to do so, he may appoint one or more competent inspectors to investigate and report on the membership of any company, and otherwise with respect to the company, for the purpose of determining the true persons who are or have been financially interested in the success or failure (real or apparent) of the company or able to control or materially to influence its policy.
- (2) ^{F1}
- [^{F2}(3) If an application for investigation under this section with respect to particular shares or debentures of a company is made to the Secretary of State by members of the company, and the number of applicants or the amount of shares held by them is not less than that required for an application for the appointment of inspectors under section 431(2)(a) or (b), then, subject to the following provisions, the Secretary of State shall appoint inspectors to conduct the investigation applied for.
- (3A) The Secretary of State shall not appoint inspectors if he is satisfied that the application is vexatious; and where inspectors are appointed their terms of appointment shall exclude any matter in so far as the Secretary of State is satisfied that it is unreasonable for it to be investigated.
- (3B) The Secretary of State may, before appointing inspectors, require the applicant or applicants to give security, to an amount not exceeding £5,000, or such other sum as he may by order specify, for payment of the costs of the investigation.

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An order under this subsection shall be made by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.

- (3C) If on an application under subsection (3) it appears to the Secretary of State that the powers conferred by section 444 are sufficient for the purposes of investigating the matters which inspectors would be appointed to investigate, he may instead conduct the investigation under that section.]
- (4) Subject to the terms of their appointment, the inspectors' powers extend to the investigation of any circumstances suggesting the existence of an arrangement or understanding which, though not legally binding, is or was observed or likely to be observed in practice and which is relevant to the purposes of the investigation.

Textual Amendments

- F1** S. 442(2) repealed (1.10.2007) by [Companies Act 2006 \(c. 46\)](#), ss. 1035(5), 1295, 1300, **Sch. 16**; S.I. 2007/2194, arts. 2(1)(k), 8, Sch. 2 Pt. 1 (with art. 12, Sch. 3 para. 48)
- F2** S. 442(3)–(3C) substituted for s. 442(3) by [Companies Act 1989 \(c. 40, SIF 27\)](#), ss. 62, 213(2)

443 Provisions applicable on investigation under s. 442.

- (1) For purposes of an investigation under section 442, sections 433(1), 434, 436 and 437 apply with the necessary modifications of references to the affairs of the company or to those of any other body corporate, subject however to the following subsections.
- (2) Those sections apply to—
- (a) all persons who are or have been, or whom the inspector has reasonable cause to believe to be or have been, financially interested in the success or failure or the apparent success or failure of the company or any other body corporate whose membership is investigated with that of the company, or able to control or materially influence its policy (including persons concerned only on behalf of others), and
 - (b) any other person whom the inspector has reasonable cause to believe possesses information relevant to the investigation,
- as they apply in relation to officers and agents of the company or the other body corporate (as the case may be).
- (3) If the Secretary of State is of opinion that there is good reason for not divulging any part of a report made by virtue of section 442 and this section, he may under section 437 disclose the report with the omission of that part; and he may cause to be kept by the registrar of companies a copy of the report with that part omitted or, in the case of any other such report, a copy of the whole report.

^{F3}(4)

Textual Amendments

- F3** S. 443(4) repealed by [Companies Act 1989 \(c. 40, SIF 27\)](#), ss. 212, 213(2), **Sch. 24**

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444 Power to obtain information as to those interested in shares, etc.

- (1) If it appears to the Secretary of State that there is good reason to investigate the ownership of any shares in or debentures of a company and that it is unnecessary to appoint inspectors for the purpose, he may require any person whom he has reasonable cause to believe to have or to be able to obtain any information as to the present and past interests in those shares or debentures and the names and addresses of the persons interested and of any persons who act or have acted on their behalf in relation to the shares or debentures to give any such information to the Secretary of State.
- (2) For this purpose a person is deemed to have an interest in shares or debentures if he has any right to acquire or dispose of them or of any interest in them, or to vote in respect of them, or if his consent is necessary for the exercise of any of the rights of other persons interested in them, or if other persons interested in them can be required, or are accustomed, to exercise their rights in accordance with his instructions.
- (3) A person who fails to give information required of him under this section, or who in giving such information makes any statement which he knows to be false in a material particular, or recklessly makes any statement which is false in a material particular, [^{F4}commits an offence] .
- [^{F5}(4) A person guilty of an offence under this section is liable—
 - (a) on conviction on indictment, to imprisonment for a term not exceeding two years or a fine (or both);
 - (b) on summary conviction—
 - (i) in England and Wales, to imprisonment for a term not exceeding twelve months or to a fine not exceeding the statutory maximum (or both) and, for continued contravention, a daily default fine not exceeding [^{F6}one-fiftieth of the greater of £5,000 or the amount corresponding to level 4 on the standard scale for summary offences];
 - (ii) in Scotland or Northern Ireland, to imprisonment for a term not exceeding six months, or to a fine not exceeding the statutory maximum (or both) and, for continued contravention, a daily default fine not exceeding one-fiftieth of the statutory maximum.]

Textual Amendments

- F4** Words in s. 444(3) substituted (1.10.2007) by [Companies Act 2006 \(c. 46\)](#), ss. 1124, 1300, [Sch. 3 para. 1\(1\)](#) (with [s. 1133](#)); [S.I. 2007/2194](#), [art. 2\(1\)\(k\)](#) (with [art. 12](#), [Sch. 3 para. 48](#) and subject to [Sch. 1](#) (as amended by [S.I. 2007/3495](#), [art. 10](#); [S.I. 2008/674](#), [Sch. 3 paras. 1, 2](#) and revoked by [S.I. 2008/2860](#), [art. 6](#)))
- F5** S. 444(4) added (1.10.2007) by [Companies Act 2006 \(c. 46\)](#), ss. 1124, 1300, [Sch. 3 para. 1\(2\)](#) (with [s. 1133](#)); [S.I. 2007/2194](#), [art. 2\(1\)\(k\)](#) (with [art. 12](#), [Sch. 3 para. 48](#) and subject to [Sch. 1](#) (as amended by [S.I. 2007/3495](#), [art. 10](#); [S.I. 2008/674](#), [Sch. 3 paras. 1, 2](#) and revoked by [S.I. 2008/2860](#), [art. 6](#)))
- F6** Words in s. 444(4)(b)(i) substituted (E.W.) (12.3.2015) by [The Legal Aid, Sentencing and Punishment of Offenders Act 2012 \(Fines on Summary Conviction\) Regulations 2015 \(S.I. 2015/664\)](#), [reg. 1\(1\)](#), [Sch. 3 para. 3](#) (with [reg. 5\(1\)](#))

445 Power to impose restrictions on shares and debentures.

- (1) If in connection with an investigation under either section 442 or 444 it appears to the Secretary of State that there is difficulty in finding out the relevant facts about any

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shares (whether issued or to be issued), he may by order direct that the shares shall until further order be subject to the restrictions of Part XV of this Act.

^{F7}[(1A) If the Secretary of State is satisfied that an order under subsection (1) may unfairly affect the rights of third parties in respect of shares then the Secretary of State, for the purpose of protecting such rights and subject to such terms as he thinks fit, may direct that such acts by such persons or descriptions of persons and for such purposes as may be set out in the order, shall not constitute a breach of the restrictions of Part XV of this Act.]

(2) This section, and Part XV in its application to orders under it, apply in relation to debentures as in relation to shares [^{F8}save that subsection (1A) shall not so apply.]

Textual Amendments

- F7** S. 445(1A) inserted by [S.I. 1991/1646, reg. 5\(a\)](#)
F8 Words in s. 445(2) inserted by [S.I. 1991/1646, reg. 5\(b\)](#)

446 Investigation of share dealings.

^{F9}

Textual Amendments

- F9** S. 446 repealed (1.10.2007) by [Companies Act 2006 \(c. 46\)](#), ss. 1295, 1300, [Sch. 16](#); [S.I. 2007/2194](#), [art. 8](#), [Sch. 2 Pt. 1](#) (with [art. 12](#))

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