



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

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.
- (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.

Status: This is the original version (as it was originally enacted).

- (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