



Companies Act 2006

2006 CHAPTER 46

PART 19

DEBENTURES

General provisions

738 Meaning of “debenture”

In the Companies Acts “debenture” includes debenture stock, bonds and any other securities of a company, whether or not constituting a charge on the assets of the company.

739 Perpetual debentures

- (1) A condition contained in debentures, or in a deed for securing debentures, is not invalid by reason only that the debentures are made—
- (a) irredeemable, or
 - (b) redeemable only—
 - (i) on the happening of a contingency (however remote), or
 - (ii) on the expiration of a period (however long),
- any rule of equity to the contrary notwithstanding.
- (2) Subsection (1) applies to debentures whenever issued and to deeds whenever executed.

740 Enforcement of contract to subscribe for debentures

A contract with a company to take up and pay for debentures of the company may be enforced by an order for specific performance.

741 Registration of allotment of debentures

- (1) A company must register an allotment of debentures as soon as practicable and in any event within two months after the date of the allotment.
- (2) If a company fails to comply with this section, an offence is committed by—
 - (a) the company, and
 - (b) every officer of the company who is in default.
- (3) A person guilty of an offence under this section is liable on summary conviction to a fine not exceeding level 3 on the standard scale and, for continued contravention, a daily default fine not exceeding one-tenth of level 3 on the standard scale.
- (4) For the duties of the company as to the issue of the debentures, or certificates of debenture stock, see Part 21 (certification and transfer of securities)

742 Debentures to bearer (Scotland)

Notwithstanding anything in the statute of the Scots Parliament of 1696, chapter 25, debentures to bearer issued in Scotland are valid and binding according to their terms.