



Companies Act 2006

2006 CHAPTER 46

PART 22

INFORMATION ABOUT INTERESTS IN A COMPANY'S SHARES

Meaning of interest in shares

820 Interest in shares: general

- (1) This section applies to determine for the purposes of this Part whether a person has an interest in shares.
- (2) In this Part—
 - (a) a reference to an interest in shares includes an interest of any kind whatsoever in the shares, and
 - (b) any restraints or restrictions to which the exercise of any right attached to the interest is or may be subject shall be disregarded.
- (3) Where an interest in shares is comprised in property held on trust, every beneficiary of the trust is treated as having an interest in the shares.
- (4) A person is treated as having an interest in shares if—
 - (a) he enters into a contract to acquire them, or
 - (b) not being the registered holder, he is entitled—
 - (i) to exercise any right conferred by the holding of the shares, or
 - (ii) to control the exercise of any such right.
- (5) For the purposes of subsection (4)(b) a person is entitled to exercise or control the exercise of a right conferred by the holding of shares if he—
 - (a) has a right (whether subject to conditions or not) the exercise of which would make him so entitled, or
 - (b) is under an obligation (whether subject to conditions or not) the fulfilment of which would make him so entitled.

Status: This is the original version (as it was originally enacted).

- (6) A person is treated as having an interest in shares if—
- (a) he has a right to call for delivery of the shares to himself or to his order, or
 - (b) he has a right to acquire an interest in shares or is under an obligation to take an interest in shares.

This applies whether the right or obligation is conditional or absolute.

- (7) Persons having a joint interest are treated as each having that interest.
- (8) It is immaterial that shares in which a person has an interest are unidentifiable.

821 Interest in shares: right to subscribe for shares

- (1) Section 793 (notice by company requiring information about interests in its shares) applies in relation to a person who has, or previously had, or is or was entitled to acquire, a right to subscribe for shares in the company as it applies in relation to a person who is or was interested in shares in that company.
- (2) References in that section to an interest in shares shall be read accordingly.

822 Interest in shares: family interests

- (1) For the purposes of this Part a person is taken to be interested in shares in which—
- (a) his spouse or civil partner, or
 - (b) any infant child or step-child of his,
- is interested.
- (2) In relation to Scotland “infant” means a person under the age of 18 years.

823 Interest in shares: corporate interests

- (1) For the purposes of this Part a person is taken to be interested in shares if a body corporate is interested in them and—
- (a) the body or its directors are accustomed to act in accordance with his directions or instructions, or
 - (b) he is entitled to exercise or control the exercise of one-third or more of the voting power at general meetings of the body.
- (2) For the purposes of this section a person is treated as entitled to exercise or control the exercise of voting power if—
- (a) another body corporate is entitled to exercise or control the exercise of that voting power, and
 - (b) he is entitled to exercise or control the exercise of one-third or more of the voting power at general meetings of that body corporate.
- (3) For the purposes of this section a person is treated as entitled to exercise or control the exercise of voting power if—
- (a) he has a right (whether or not subject to conditions) the exercise of which would make him so entitled, or
 - (b) he is under an obligation (whether or not subject to conditions) the fulfilment of which would make him so entitled.

824 Interest in shares: agreement to acquire interests in a particular company

- (1) For the purposes of this Part an interest in shares may arise from an agreement between two or more persons that includes provision for the acquisition by any one or more of them of interests in shares of a particular public company (the “target company” for that agreement).
- (2) This section applies to such an agreement if—
 - (a) the agreement includes provision imposing obligations or restrictions on any one or more of the parties to it with respect to their use, retention or disposal of their interests in the shares of the target company acquired in pursuance of the agreement (whether or not together with any other interests of theirs in the company's shares to which the agreement relates), and
 - (b) an interest in the target company's shares is in fact acquired by any of the parties in pursuance of the agreement.
- (3) The reference in subsection (2) to the use of interests in shares in the target company is to the exercise of any rights or of any control or influence arising from those interests (including the right to enter into an agreement for the exercise, or for control of the exercise, of any of those rights by another person).
- (4) Once an interest in shares in the target company has been acquired in pursuance of the agreement, this section continues to apply to the agreement so long as the agreement continues to include provisions of any description mentioned in subsection (2).

This applies irrespective of—

- (a) whether or not any further acquisitions of interests in the company's shares take place in pursuance of the agreement;
- (b) any change in the persons who are for the time being parties to it;
- (c) any variation of the agreement.

References in this subsection to the agreement include any agreement having effect (whether directly or indirectly) in substitution for the original agreement.

- (5) In this section—
 - (a) “agreement” includes any agreement or arrangement, and
 - (b) references to provisions of an agreement include—
 - (i) undertakings, expectations or understandings operative under an arrangement, and
 - (ii) any provision whether express or implied and whether absolute or not.

References elsewhere in this Part to an agreement to which this section applies have a corresponding meaning.

- (6) This section does not apply—
 - (a) to an agreement that is not legally binding unless it involves mutuality in the undertakings, expectations or understandings of the parties to it; or
 - (b) to an agreement to underwrite or sub-underwrite an offer of shares in a company, provided the agreement is confined to that purpose and any matters incidental to it.

825 Extent of obligation in case of share acquisition agreement

- (1) For the purposes of this Part each party to an agreement to which section 824 applies is treated as interested in all shares in the target company in which any other party to the agreement is interested apart from the agreement (whether or not the interest of the other party was acquired, or includes any interest that was acquired, in pursuance of the agreement).
- (2) For those purposes an interest of a party to such an agreement in shares in the target company is an interest apart from the agreement if he is interested in those shares otherwise than by virtue of the application of section 824 (and this section) in relation to the agreement.
- (3) Accordingly, any such interest of the person (apart from the agreement) includes for those purposes any interest treated as his under section 822 or 823 (family or corporate interests) or by the application of section 824 (and this section) in relation to any other agreement with respect to shares in the target company to which he is a party.
- (4) A notification with respect to his interest in shares in the target company made to the company under this Part by a person who is for the time being a party to an agreement to which section 824 applies must—
 - (a) state that the person making the notification is a party to such an agreement,
 - (b) include the names and (so far as known to him) the addresses of the other parties to the agreement, identifying them as such, and
 - (c) state whether or not any of the shares to which the notification relates are shares in which he is interested by virtue of section 824 (and this section) and, if so, the number of those shares.