



Companies Act 2006

2006 CHAPTER 46

PART 3

A COMPANY'S CONSTITUTION

CHAPTER 2

ARTICLES OF ASSOCIATION

Alteration of articles

21 Amendment of articles

- (1) A company may amend its articles by special resolution.
- (2) In the case of a company that is a charity, this is subject to—
 - (a) in England and Wales, section 64 of the Charities Act 1993 (c. 10);
 - (b) in Northern Ireland, Article 9 of the Charities (Northern Ireland) Order 1987 (S.I. 1987/2048 (N.I. 19)).
- (3) In the case of a company that is registered in the Scottish Charity Register, this is subject to—
 - (a) section 112 of the Companies Act 1989 (c. 40), and
 - (b) section 16 of the Charities and Trustee Investment (Scotland) Act 2005 (asp 10).

22 Entrenched provisions of the articles

- (1) A company's articles may contain provision ("provision for entrenchment") to the effect that specified provisions of the articles may be amended or repealed only if conditions are met, or procedures are complied with, that are more restrictive than those applicable in the case of a special resolution.

Status: This is the original version (as it was originally enacted).

- (2) Provision for entrenchment may only be made—
 - (a) in the company's articles on formation, or
 - (b) by an amendment of the company's articles agreed to by all the members of the company.
- (3) Provision for entrenchment does not prevent amendment of the company's articles—
 - (a) by agreement of all the members of the company, or
 - (b) by order of a court or other authority having power to alter the company's articles.
- (4) Nothing in this section affects any power of a court or other authority to alter a company's articles.

23 Notice to registrar of existence of restriction on amendment of articles

- (1) Where a company's articles—
 - (a) on formation contain provision for entrenchment,
 - (b) are amended so as to include such provision, or
 - (c) are altered by order of a court or other authority so as to restrict or exclude the power of the company to amend its articles,the company must give notice of that fact to the registrar.
- (2) Where a company's articles—
 - (a) are amended so as to remove provision for entrenchment, or
 - (b) are altered by order of a court or other authority—
 - (i) so as to remove such provision, or
 - (ii) so as to remove any other restriction on, or any exclusion of, the power of the company to amend its articles,the company must give notice of that fact to the registrar.

24 Statement of compliance where amendment of articles restricted

- (1) This section applies where a company's articles are subject—
 - (a) to provision for entrenchment, or
 - (b) to an order of a court or other authority restricting or excluding the company's power to amend the articles.
- (2) If the company—
 - (a) amends its articles, and
 - (b) is required to send to the registrar a document making or evidencing the amendment,the company must deliver with that document a statement of compliance.
- (3) The statement of compliance required is a statement certifying that the amendment has been made in accordance with the company's articles and, where relevant, any applicable order of a court or other authority.
- (4) The registrar may rely on the statement of compliance as sufficient evidence of the matters stated in it.

25 Effect of alteration of articles on company's members

- (1) A member of a company is not bound by an alteration to its articles after the date on which he became a member, if and so far as the alteration—
 - (a) requires him to take or subscribe for more shares than the number held by him at the date on which the alteration is made, or
 - (b) in any way increases his liability as at that date to contribute to the company's share capital or otherwise to pay money to the company.
- (2) Subsection (1) does not apply in a case where the member agrees in writing, either before or after the alteration is made, to be bound by the alteration.

26 Registrar to be sent copy of amended articles

- (1) Where a company amends its articles it must send to the registrar a copy of the articles as amended not later than 15 days after the amendment takes effect.
- (2) This section does not require a company to set out in its articles any provisions of model articles that—
 - (a) are applied by the articles, or
 - (b) apply by virtue of section 20 (default application of model articles).
- (3) 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.
- (4) 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.

27 Registrar's notice to comply in case of failure with respect to amended articles

- (1) If it appears to the registrar that a company has failed to comply with any enactment requiring it—
 - (a) to send to the registrar a document making or evidencing an alteration in the company's articles, or
 - (b) to send to the registrar a copy of the company's articles as amended,the registrar may give notice to the company requiring it to comply.
- (2) The notice must—
 - (a) state the date on which it is issued, and
 - (b) require the company to comply within 28 days from that date.
- (3) If the company complies with the notice within the specified time, no criminal proceedings may be brought in respect of the failure to comply with the enactment mentioned in subsection (1).
- (4) If the company does not comply with the notice within the specified time, it is liable to a civil penalty of £200.

This is in addition to any liability to criminal proceedings in respect of the failure mentioned in subsection (1).

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- (5) The penalty may be recovered by the registrar and is to be paid into the Consolidated Fund.