



Companies Act 2006

2006 CHAPTER 46

PART 10

A COMPANY'S DIRECTORS

CHAPTER 4

TRANSACTIONS WITH DIRECTORS REQUIRING APPROVAL OF MEMBERS

Substantial property transactions

190 Substantial property transactions: requirement of members' approval

- (1) A company may not enter into an arrangement under which—
- (a) a director of the company or of its holding company, or a person connected with such a director, acquires or is to acquire from the company (directly or indirectly) a substantial non-cash asset, or
 - (b) the company acquires or is to acquire a substantial non-cash asset (directly or indirectly) from such a director or a person so connected,

unless the arrangement has been approved by a resolution of the members of the company or is conditional on such approval being obtained.

For the meaning of “substantial non-cash asset” see section 191.

- (2) If the director or connected person is a director of the company's holding company or a person connected with such a director, the arrangement must also have been approved by a resolution of the members of the holding company or be conditional on such approval being obtained.
- (3) A company shall not be subject to any liability by reason of a failure to obtain approval required by this section.

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- (4) No approval is required under this section on the part of the members of a body corporate that—
- (a) is not a UK-registered company, or
 - (b) is a wholly-owned subsidiary of another body corporate.
- (5) For the purposes of this section—
- (a) an arrangement involving more than one non-cash asset, or
 - (b) an arrangement that is one of a series involving non-cash assets,
- shall be treated as if they involved a non-cash asset of a value equal to the aggregate value of all the non-cash assets involved in the arrangement or, as the case may be, the series.
- (6) This section does not apply to a transaction so far as it relates—
- (a) to anything to which a director of a company is entitled under his service contract, or
 - (b) to payment for loss of office as defined in section 215 [^{F1}(payments to which the requirements of Chapter 4 or 4A apply)].

Textual Amendments

- F1** Words in s. 190(6)(b) substituted (1.10.2013) by [Enterprise and Regulatory Reform Act 2013 \(c. 24\)](#), [ss. 81\(3\)](#), [103\(3\)](#); [S.I. 2013/2227](#), [art. 2\(h\)](#)

Modifications etc. (not altering text)

- C1** Ss. 190-196 modified (22.2.2008) by [The Northern Rock plc Transfer Order 2008 \(S.I. 2008/432\)](#), [art. 17\(1\)](#), [Sch. para. 2\(h\)](#)
- C2** Ss. 190-196 modified (8.00 a.m. on 29.9.2008) by [the The Bradford & Bingley plc Transfer of Securities and Property etc. Order 2008 \(S.I. 2008/2546\)](#), [art. 13\(1\)\(3\)](#), [Sch. 1 para. 2\(h\)](#)
- C3** Ss. 190-196 modified (9.30 a.m. on 7.10.2008) by [The Heritable Bank plc Transfer of Certain Rights and Liabilities Order 2008 \(S.I. 2008/2644\)](#), [art. 26](#), [Sch. 2 para. 2\(h\)](#)
- C4** Ss. 190-196 modified (retrospective to 30.3.2009 at 8.00 a.m.) by [The Amendments to Law \(Resolution of Dunfermline Building Society\) Order 2009 \(S.I. 2009/814\)](#), [arts. 1\(2\)](#), [7](#), [Sch. para. 2\(h\)](#)
- C5** Ss. 190-196 modified (1.3.2016) by [The NRAM plc \(formerly Northern Rock plc\) Consequential and Supplementary Provisions Order 2016 \(S.I. 2016/114\)](#), [arts. 1\(1\)](#), [7\(1\)](#), [\(3\)](#), [Sch. para. 1\(h\)](#)

Commencement Information

- I1** S. 190 wholly in force at 1.10.2007; s. 190 not in force at Royal Assent see s. 1300; s. 190 in force at 1.10.2007 by [S.I. 2007/2194](#), [art. 2\(1\)\(d\)](#) (with saving in [art. 12](#) and subject to transitional adaptations specified in [Sch. 1](#) and with transitional provisions and savings in [Sch. 3](#))

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

- Act amendment to earlier affecting provision S.I. 1989/638, Sch. 4 by [S.I. 2024/410 Sch. 2 para. 1](#)
- Act amendment to earlier affecting provision S.I. 2008/373 reg. 11(1) by [S.I. 2013/1971 reg. 9\(a\)](#) (This amendment not applied to legislation.gov.uk. Amending Regulations revoked (1.10.2013) without ever being in force by S.I. 2013/2224, reg. 2)
- Act amendment to earlier affecting provision S.I. 2008/373 reg. 3(4) by [S.I. 2013/1971 reg. 4](#) (This amendment not applied to legislation.gov.uk. Amending Regulations revoked (1.10.2013) without ever being in force by S.I. 2013/2224, reg. 2)

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 479A(2)(c)(zi) inserted by [S.I. 2019/177 reg. 4\(b\)\(i\)](#) (This amendment not applied to legislation.gov.uk. Reg. 4 substituted by regs. 4, 4A immediately before IP completion day by S.I. 2019/1392, regs. 1(2), 4)
- s. 479B(a)(iii) amendment to earlier affecting provision S.I.2008/1991 reg.34 by [S.R. 2024/78 reg. 31\(4\)](#)
- s. 479B(a)(iii) amendment to earlier affecting provision S.I.2008/1991 reg.34A by [S.R. 2024/78 reg. 31\(5\)](#)
- s. 1087A-1807C applied by S.I. 2009/2436, Sch. 1 para. 20(1)(ca) (as substituted) by [S.I. 2024/410 Sch. 2 para. 5\(d\)\(ii\)](#)
- Sch. 10 para. 6(2D) inserted by [S.I. 2019/177 reg. 28\(e\)](#) (This amendment not applied to legislation.gov.uk. Reg. 28(e) omitted immediately before IP completion day by virtue of S.I. 2020/523, regs. 1(2), 14(e)(iv))
- Sch. 10 para. 7(2A) inserted by [S.I. 2019/177 reg. 29\(b\)](#) (This amendment not applied to legislation.gov.uk. Reg. 29 substituted immediately before IP completion day by S.I. 2020/523, regs. 1(2), 14(f))