



Companies Act 2006

2006 CHAPTER 46

PART 11

DERIVATIVE CLAIMS AND PROCEEDINGS BY MEMBERS

CHAPTER 1

DERIVATIVE CLAIMS IN ENGLAND AND WALES OR NORTHERN IRELAND

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- (1) This Chapter applies to proceedings in England and Wales or Northern Ireland by a member of a company—
 - (a) in respect of a cause of action vested in the company, and
 - (b) seeking relief on behalf of the company.

This is referred to in this Chapter as a “derivative claim”.

- (2) A derivative claim may only be brought—
 - (a) under this Chapter, or
 - (b) in pursuance of an order of the court in proceedings under section 994 (proceedings for protection of members against unfair prejudice).
- (3) A derivative claim under this Chapter may be brought only in respect of a cause of action arising from an actual or proposed act or omission involving negligence, default, breach of duty or breach of trust by a director of the company.

The cause of action may be against the director or another person (or both).

- (4) It is immaterial whether the cause of action arose before or after the person seeking to bring or continue the derivative claim became a member of the company.
- (5) For the purposes of this Chapter—
 - (a) “director” includes a former director;

Status: This is the original version (as it was originally enacted).

- (b) a shadow director is treated as a director; and
- (c) references to a member of a company include a person who is not a member but to whom shares in the company have been transferred or transmitted by operation of law.