

1990 No. 2571

COMPANIES

The Companies (Unregistered Companies)
(Amendment No. 3) Regulations 1990

<i>Made</i> - - - -	<i>17th December 1990</i>
<i>Laid before Parliament</i>	<i>18th December 1990</i>
<i>Coming into force</i>	<i>4th February 1991</i>

The Secretary of State in exercise of the powers conferred by section 718 of and Schedule 22 to the Companies Act 1985(a) and of all other powers enabling him in that behalf, hereby makes the following Regulations:

1. These Regulations may be cited as the Companies (Unregistered Companies) (Amendment No. 3) Regulations 1990 and shall come into force on 4th February 1991.

2. The Companies (Unregistered Companies) Regulations 1985(b) are hereby amended as follows:

- (a) in Regulation 6(c), for the words "section 35", there shall be substituted the words "sections 35 and 35B", for the word "it" there shall be substituted the word "they" and for the words "that section" there shall be substituted the words "those sections";
- (b) in the entry in the Schedule relating to Part I of the Companies Act 1985, for the entry relating to section 35 there shall be substituted the following entry:
"sections 35 to 35B . . . Company's capacity; power of directors to bind it."; and
- (c) in the entry in the Schedule relating to Part X of the Companies Act 1985, before the entry relating to sections 343 to 347, there shall be inserted the following entry:
"section 322A . . . Invalidity of certain transactions involving directors, etc."

17th December 1990

John Redwood
Minister of State,
Department of Trade and Industry

(a) 1985 c.6; Schedule 22 has been amended by the provisions contained in the Financial Services Act 1986 (c.60) and the Companies Act 1989 (c.40); of those amendments, those effected by sections 108(3) of the 1989 Act (which inserts references to sections 35 to 35B into the Schedule) and 109(2) (which inserts a reference to section 322A into the Schedule) are relied upon in the making of this Order.

(b) S.I. 1985/680, to which there are no amendments relevant to this Order.

EXPLANATORY NOTE

(This note is not part of the Order)

These Regulations amend the Companies (Unregistered Companies) Regulations 1985, which apply certain provisions of the Companies Act 1985 to unregistered companies. The amendments have the effect of applying to such companies the new provisions relating to:

- the capacity of companies to enter into transactions;
- the power of directors to bind companies;
- the absence of a duty on a third party to enquire whether a company has capacity to enter into a transaction or whether the directors have authority to do so; and
- the invalidity of certain transactions involving directors, etc.

which are inserted into the Companies Act 1985 by the Companies Act 1989.

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