



Companies Act 2006

2006 CHAPTER 46

PART 22

INFORMATION ABOUT INTERESTS IN A COMPANY'S SHARES

Meaning of interest in shares

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—

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Changes to legislation: There are currently no known outstanding effects for the Companies Act 2006, Section 824. (See end of Document for details)

- (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.

Commencement Information

- II** S. 824 wholly in force at 20.1.2007, see s. 1300 and S.I. 2006/3428, **art. 3(1)(d)** (subject to art. 5, Sch. 1 and with arts. 6, 8, Sch. 5)

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