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## STATUTORY INSTRUMENTS

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# 1990 No. 1504

## The Companies (No. 2) (Northern Ireland) Order 1990

### <sup>F1</sup>PART IV

#### OTHER AMENDMENTS OF COMPANY LAW

##### *A company's capacity and related matters*

#### **Charitable companies**

**47.—**(1) In the Charities (Northern Ireland) Order 1987<sup>F1</sup> for Article 9 (charitable companies) substitute—

##### **“Charitable companies: alteration of objects clause**

**9.—**(1) Where a charity is a company or other body corporate having power to alter the instruments establishing or regulating it as a body corporate, no exercise of that power which has the effect of the body ceasing to be a charity shall be valid so as to affect the application of—

- (a) any property acquired under any disposition or agreement previously made otherwise than for full consideration in money or money's worth, or any property representing property so acquired,
- (b) any property representing income which has accrued before the alteration is made, or
- (c) the income from any such property as aforesaid.

(2) Where a charity is a company, any alteration by it of the objects clause in its memorandum of association is ineffective without the prior written consent of the Department; and it shall deliver a copy of that consent to the registrar of companies under Article 17(1)(a) or (b) of the Companies Order along with the printed copy of the memorandum as altered.

(3) Article 17(3) of that Order (offences) applies in relation to a default in complying with paragraph (2) as regards the delivery of a copy of the Department's consent.

##### **Charitable companies: invalidity of certain transactions**

**9A.—**(1) Articles 45 and 45A of the Companies Order (capacity of company not limited by its memorandum; power of directors to bind company) do not apply to the acts of a company which is a charity except in favour of a person who—

- (a) gives full consideration in money or money's worth in relation to the act in question, and
- (b) does not know that the act is not permitted by the company's memorandum or, as the case may be, is beyond the powers of the directors,

or who does not know at the time the act is done that the company is a charity.

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**Changes to legislation:** The Companies (No. 2) (Northern Ireland) Order 1990, Section 47 is up to date with all changes known to be in force on or before 22 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

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(2) However, where such a company purports to transfer or grant an interest in property, the fact that the act was not permitted by the company's memorandum or, as the case may be, that the directors in connection with the act exceeded any limitation on their powers under the company's constitution, does not affect the title of a person who subsequently acquires the property or any interest in it for full consideration without actual notice of any such circumstances affecting the validity of the company's act.

(3) In any proceedings arising out of paragraph (1) the burden of proving—

- (a) that a person knew that an act was not permitted by the company's memorandum or was beyond the powers of the directors, or
- (b) that a person knew that the company was a charity,

lies on the person making that allegation.

(4) Where a company is a charity, the ratification of an act under Article 45(3) of the Companies Order, or the ratification of a transaction to which Article 330A of that Order applies (invalidity of certain transactions to which directors or their associates are parties), is ineffective without the prior written consent of the Department.

#### **Charitable companies: status to appear on correspondence, etc.**

**9B.**—(1) Where a company is a charity and its name does not include the word “charity” or the word “charitable”, the fact that the company is a charity shall be stated in English in legible characters—

- (a) in all business letters of the company,
- (b) in all its notices and other official publications,
- (c) in all bills of exchange, promissory notes, endorsements, cheques and orders for money or goods purporting to be signed by or on behalf of the company,
- (d) in all conveyances purporting to be executed by the company, and
- (e) in all its bills of parcels, invoices, receipts and letters of credit.

(2) In paragraph (1)(d) “conveyance” means any instrument creating, transferring, varying or extinguishing an interest in land.

(3) Article 357(2) to (4) of the Companies Order (offences in connection with failure to include required particulars in business letters, &c.) apply in relation to a contravention of paragraph (1).”.

(2) In Article 2(2) of the Charities (Northern Ireland) Order 1987<sup>F2</sup> (definitions), at the appropriate place insert—

““company” means a company formed and registered under the Companies Order, or to which the provisions of that Order apply as they apply to such a company;

“Companies Order” means the Companies (Northern Ireland) Order 1986;” .

**F1** 1987 NI 19

**F2** 1987 NI 19

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**Changes and effects yet to be applied to :**

- art. 47 repealed by [2008 c. 12 \(N.I.\) Sch. 9](#)