
DRAFT STATUTORY INSTRUMENTS

2006 No.

**The Water and Sewerage Services
(Northern Ireland) Order 2006**

PART X

REORGANISATION OF THE INDUSTRY

Ownership of the successor company

Initial Departmental holding in the successor company

271.—(1) As a consequence of the vesting in the successor company of any assets and liabilities under Article 270, the company shall issue such securities of the company as the Department may direct to the Department.

(2) The Department shall not give a direction under paragraph (1) at a time when the successor company has ceased to be wholly owned by the Crown.

(3) Securities required to be issued under this Article shall be issued at such time or times and on such terms as the Department may direct.

(4) Shares in the successor company which are issued under this Article—

(a) shall be of such nominal value as the Department may direct; and

(b) shall be issued as fully paid and treated for the purposes of the Companies Order as if they had been paid up by virtue of the payment to the company of their nominal value in cash.

(5) For the purposes of the Companies Order, the [Insolvency \(Northern Ireland\) Order 1989 \(NI 19\)](#) and the [Company Directors Disqualification \(Northern Ireland\) Order 2002 \(NI 4\)](#), the Crown is not to be treated as a shadow director of the successor company by reason that the company is wholly owned by the Crown or that the directors of that company are accustomed to act in accordance with the Crown's directions or instructions.

(6) Paragraph (5) applies to any subsidiary or subsidiary undertaking of the successor company as it applies to the successor company.

Departmental investment in securities of the successor company

272. The Department may at any time acquire—

(a) securities of the successor company; or

(b) rights to subscribe for any such securities.

Disposal of securities, etc

273.—(1) The Department shall not dispose of any securities or rights issued under Article 271 or acquired under Article 272 except—

- (a) in a case of a disposal requiring Assembly approval, with that approval; and
 - (b) in the case of any other disposal, with the consent of DFP.
- (2) A disposal requires Assembly approval if, in the opinion of the Department, the effect of the disposal would be that the successor company is no longer controlled by the Department.
- (3) Assembly approval is given to a disposal if the disposal is approved by a resolution of the Assembly passed on a resolution specifying—
- (a) the size and nature of the disposal;
 - (b) the person to whom it is to be made.
- (4) For the purposes of this Article the successor company is controlled by the Department if the Department holds securities of the company entitling it to exercise or control the exercise of a majority of the voting rights in the company which are exercisable at a general meeting on all, or substantially all, matters.

Exercise of Departmental powers through nominees

274.—(1) The Department may, for the purposes of Article 271 or 272, appoint any person to act as the nominee, or one of the nominees, of the Department; and—

- (a) securities of the successor company may be issued under Article 271 to any nominee of the Department appointed for the purposes of that Article; and
- (b) any such nominee appointed for the purposes of Article 272 may acquire securities or rights under that Article,

in accordance with directions given by the Department.

(2) Any person holding any securities or rights as a nominee of the Department under paragraph (1) shall hold and deal with them (or any of them) on such terms and in such manner as the Department may direct.

(3) For the purposes of Article 273—

- (a) any securities or rights held by a nominee of the Department shall be treated as held by the Department; and
- (b) any disposal by a nominee of the Department shall be treated as a disposal by the Department.