



# Financial Services and Markets Act 2000

## 2000 CHAPTER 8

### PART XII

#### CONTROL OVER AUTHORISED PERSONS

VALID FROM 01/12/2001

#### *Improperly acquired shares*

#### <sup>x1</sup>189 **Improperly acquired shares.**

- (1) The powers conferred by this section are exercisable if a person has acquired, or has continued to hold, any shares in contravention of—
  - (a) a notice of objection; or
  - (b) a condition imposed on the Authority's approval.
- (2) The Authority may by notice in writing served on the person concerned ("a restriction notice") direct that any such shares which are specified in the notice are, until further notice, subject to one or more of the following restrictions—
  - (a) a transfer of (or agreement to transfer) those shares, or in the case of unissued shares any transfer of (or agreement to transfer) the right to be issued with them, is void;
  - (b) no voting rights are to be exercisable in respect of the shares;
  - (c) no further shares are to be issued in right of them or in pursuance of any offer made to their holder;
  - (d) except in a liquidation, no payment is to be made of any sums due from the body corporate on the shares, whether in respect of capital or otherwise.
- (3) The court may, on the application of the Authority, order the sale of any shares to which this section applies and, if they are for the time being subject to any restriction under subsection (2), that they are to cease to be subject to that restriction.

*Status: Point in time view as at 21/06/2001. This version of this cross heading contains provisions that are not valid for this point in time.*

*Changes to legislation: Financial Services and Markets Act 2000, Cross Heading: Improperly acquired shares 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)*

- (4) No order may be made under subsection (3)—
- (a) until the end of the period within which a reference may be made to the Tribunal in respect of the notice of objection; and
  - (b) if a reference is made, until the matter has been determined or the reference withdrawn.
- (5) If an order has been made under subsection (3), the court may, on the application of the Authority, make such further order relating to the sale or transfer of the shares as it thinks fit.
- (6) If shares are sold in pursuance of an order under this section, the proceeds of sale, less the costs of the sale, must be paid into court for the benefit of the persons beneficially interested in them; and any such person may apply to the court for the whole or part of the proceeds to be paid to him.
- (7) This section applies—
- (a) in the case of an acquirer falling within section 178(1), to all the shares—
    - (i) in the authorised person which the acquirer has acquired;
    - (ii) which are held by him or an associate of his; and
    - (iii) which were not so held immediately before he became a person with control over the authorised person;
  - (b) in the case of an acquirer falling within section 178(2), to all the shares held by him or an associate of his at the time when he first became aware that he had acquired control over the authorised person; and
  - (c) to all the shares in an undertaking (“C”)—
    - (i) which are held by the acquirer or an associate of his, and
    - (ii) which were not so held before he became a person with control in relation to the authorised person,
 where C is the undertaking in which shares were acquired by the acquirer (or an associate of his) and, as a result, he became a person with control in relation to that authorised person.
- (8) A copy of the restriction notice must be served on—
- (a) the authorised person to whose shares it relates; and
  - (b) if it relates to shares held by an associate of that authorised person, on that associate.
- (9) The jurisdiction conferred by this section may be exercised by the High Court and the Court of Session.

#### Editorial Information

- X1** The substitution of ss. 178-191G for ss. 178-191 on 21.3.2009 which involves the insertion of several new headings in Pt. XII gives rise to a change in the structure of this legislation on SLD which breaks the continuity of historical versions of the existing provisions which are now brought under those new headings.

#### Modifications etc. (not altering text)

- C1** [S. 189\(2\)](#) power extended (1.12.2001) by [S.I. 2001/2637](#), [arts. 1, 13\(4\)\(5\)](#); [S.I. 2001/3538](#), [art. 2\(1\)](#)  
[S. 189\(2\)](#) extended (1.12.2001) by [S.I. 2001/2637](#), [arts. 1, 13\(2\)\(5\)](#); [S.I. 2001/3538](#), [art. 2\(1\)](#)

---

**Status:** Point in time view as at 21/06/2001. This version of this cross heading contains provisions that are not valid for this point in time.

**Changes to legislation:** Financial Services and Markets Act 2000, Cross Heading: Improperly acquired shares 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)

- |           |   |
|-----------|---|
| <b>C2</b> | S. 189(2)(b) extended (1.12.2001) by S.I. 2001/2637, <b>arts. 1, 13(1)</b> ; S.I. 2001/3538, <b>art. 2(1)</b>         |
| <b>C3</b> | S. 189(3) applied (with modifications) by S.I. 2001/2637, <b>arts. 1, 13(2)(5)</b> ; S.I. 2001/3538, <b>art. 2(1)</b> |

**Status:**

Point in time view as at 21/06/2001. This version of this cross heading contains provisions that are not valid for this point in time.

**Changes to legislation:**

Financial Services and Markets Act 2000, Cross Heading: Improperly acquired shares 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.