



# Companies Act 2006

## 2006 CHAPTER 46

### PART 38

#### COMPANIES: INTERPRETATION

##### *Meaning of “subsidiary” and related expressions*

#### **1159 Meaning of “subsidiary” etc**

- (1) A company is a “subsidiary” of another company, its “holding company”, if that other company—
  - (a) holds a majority of the voting rights in it, or
  - (b) is a member of it and has the right to appoint or remove a majority of its board of directors, or
  - (c) is a member of it and controls alone, pursuant to an agreement with other members, a majority of the voting rights in it,or if it is a subsidiary of a company that is itself a subsidiary of that other company.
- (2) A company is a “wholly-owned subsidiary” of another company if it has no members except that other and that other's wholly-owned subsidiaries or persons acting on behalf of that other or its wholly-owned subsidiaries.
- (3) Schedule 6 contains provisions explaining expressions used in this section and otherwise supplementing this section.
- (4) In this section and that Schedule “company” includes any body corporate.

#### **Annotations:**

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

- C1** S. 1159 applied by [Enterprise Act 2002 \(c. 40\), s. 79\(9\)](#) (as amended (1.10.2009) by [The Companies Act 2006 \(Consequential Amendments, Transitional Provisions and Savings\) Order 2009 \(S.I. 2009/1941\)](#), art. 2(1), [Sch. 1 para. 199\(2\)\(a\)](#) (with art. 10))

*Changes to legislation: Companies Act 2006, Cross Heading: Meaning of “subsidiary” and related expressions is up to date with all changes known to be in force on or before 05 July 2018. 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)*

#### Commencement Information

- 11** S. 1159 wholly in force at 1.10.2009; s. 1159 not in force at Royal Assent see s. 1300; s. 1159 in force for certain purposes at 6.4.2008 by S.I. 2007/3495, **art. 3(4)** (with savings in **arts. 7, 12**); s. 1159 otherwise in force at 1.10.2009 by S.I. 2008/2860, **art. 3(u)** (with **arts. 5, 7, 8, Sch. 2**) (as amended by S.I. 2009/1802, **art. 18**)

#### 1160 Meaning of “subsidiary” etc: power to amend

- (1) The Secretary of State may by regulations amend the provisions of section 1159 (meaning of “subsidiary” etc) and Schedule 6 (meaning of “subsidiary” etc: supplementary provisions) so as to alter the meaning of the expressions “subsidiary”, “holding company” or “wholly-owned subsidiary”.
- (2) Regulations under this section are subject to negative resolution procedure.
- (3) Any amendment made by regulations under this section does not apply for the purposes of enactments outside the Companies Acts unless the regulations so provide.
- (4) So much of section 23(3) of the Interpretation Act 1978 (c. 30) as applies section 17(2) (a) of that Act (effect of repeal and re-enactment) to deeds, instruments and documents other than enactments does not apply in relation to any repeal and re-enactment effected by regulations under this section.

#### Annotations:

#### Commencement Information

- 12** S. 1160 wholly in force at 1.10.2009; s. 1160 not in force at Royal Assent, see s. 1300; s. 1160 in force for specified purposes at 20.1.2007 by S.I. 2006/3428, **art. 3(3)** (subject to **art. 5, Sch. 1** and with **arts. 6, 8, Sch. 5**); s. 1160 in force for certain purposes at 6.4.2008 by S.I. 2007/3495, **art. 3(4)** (with savings in **arts. 7, 12**); s. 1160 otherwise in force at 1.10.2009 by S.I. 2008/2860, **art. 3(u)** (with **arts. 5, 7, 8, Sch. 2**) (as amended by S.I. 2009/1802, **art. 18**)

**Changes to legislation:**

Companies Act 2006, Cross Heading: Meaning of “subsidiary” and related expressions is up to date with all changes known to be in force on or before 05 July 2018. 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.

**Changes and effects yet to be applied to the whole Act associated Parts and Chapters:**

- Act amendment to earlier affecting provision S.I. 2008/373 reg. 11(1) by [S.I. 2013/1971 reg. 9\(a\)](#) (This amendment not applied to legislation.gov.uk. Amending Regulations revoked (1.10.2013) without ever being in force by S.I. 2013/2224, reg. 2)
- Act amendment to earlier affecting provision S.I. 2008/373 reg. 3(4) by [S.I. 2013/1971 reg. 4](#) (This amendment not applied to legislation.gov.uk. Amending Regulations revoked (1.10.2013) without ever being in force by S.I. 2013/2224, reg. 2)

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 156A-156C inserted by [2015 c. 26 s. 87\(4\)](#)