



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, Section 1159 is up to date with all changes known to be in force on or before 02 August 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

- II** 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](#))

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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\(4\)](#)