
STATUTORY INSTRUMENTS

1991 No. 1646

COMPANIES

**The Companies (Disclosure of Interests in Shares)
(Orders imposing restrictions on shares) Regulations 1991**

Made - - - - *17th July 1991*

Coming into force - - *18th July 1991*

Whereas a draft of these Regulations has been laid before and has been approved by resolution of each House of Parliament pursuant to section 135(4) of the Companies Act 1989(1);

Now, therefore, the Secretary of State in exercise of the powers conferred on him by section 135 of the Companies Act 1989, hereby makes the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Companies (Disclosure of Interests in Shares) (Orders imposing restrictions on shares) Regulations 1991 and shall come into force on the day after the day on which they are made.

Interpretation

2. In these Regulations unless the context otherwise requires reference to a numbered section shall be construed as a reference to a numbered section of the Companies Act 1985(2).

Amendments of Part VI, Companies Act 1985

3. In section 210, after subsection (5) (orders imposing restrictions on shares following conviction of an offence under section 210), insert the following subsection:—

“(5A) If the Secretary of State is satisfied that an order under subsection (5) may unfairly affect the rights of third parties in respect of shares then the Secretary of State, for the purpose of protecting such rights and subject to such terms as he thinks fit, may direct that such acts by such persons or descriptions of persons and for such purposes as may be set out in the order, shall not constitute a breach of the restrictions of Part XV of this Act.”.

4. In section 216 (penalty for failure to provide information required by a company by a notice under section 212),

(1) 1989 c. 40.
(2) 1985 c. 6.

- (a) after subsection (1) insert the following subsections:—
- “(1A) On an application made under subsection (1) the court may make an interim order and any such order may be made unconditionally or on such terms as the court thinks fit.
- (1B) If the court is satisfied that an order under subsection (1) may unfairly affect the rights of third parties in respect of shares then the court, for the purpose of protecting such rights and subject to such terms as it thinks fit, may direct that such acts by such persons or descriptions of persons and for such purposes as may be set out in the order, shall not constitute a breach of the restrictions of Part XV of this Act”;
- (b) for the words “Such an order” at the beginning of subsection (2), substitute “An order under this section”.

Amendments of Part XIV, Companies Act 1985

5. In section 445 (orders imposing restrictions on shares in connection with investigations of companies and their affairs),

- (a) after subsection (1) insert the following subsection:—
- “(1A) If the Secretary of State is satisfied that an order under subsection (1) may unfairly affect the rights of third parties in respect of shares then the Secretary of State, for the purpose of protecting such rights and subject to such terms as he thinks fit, may direct that such acts by such persons or descriptions of persons and for such purposes as may be set out in the order, shall not constitute a breach of the restrictions of Part XV of this Act.”;
- (b) at the end of subsection (2) insert “save that subsection (1A) shall not so apply.”

Amendments of Part XV, Companies Act 1985

6. In section 454:—

- (a) in subsection (1) after “this Part” insert “then, subject to any directions made in relation to an order pursuant to sections 210(5A), 216(1B), 445(1A) or 456(1A) or subject in the case of an interim order pursuant to section 216(1A) to the terms of that order”;
- (b) in subsection (2) after “except” insert “such agreement or right as may be made or exercised under the terms of directions made by the Secretary of State or the court under sections 210(5A), 216(1B), 445(1A), 456(1A) or of an interim order made under section 216(1A) or”; and
- (c) in subsection (3) after “except” insert “such agreement or right as may be made or exercised under the terms of directions made by the Secretary of State or the court under sections 210(5A), 216(1B), 445(1A), 456(1A) or of an interim order made under section 216(1A) or”.

7. In section 455:—

- (a) in subsection (1) at the beginning insert “Subject to the terms of any directions made under sections 210(5A), 216(1B) or 445(1A) or 456 or of an interim order made under section 216(1A)”; and
- (b) in subsection (2) at the beginning insert “Subject to the terms of any directions made under sections 210(5A), 216(1B), 445(1A) or 456 or of an interim order made under section 216(1A)”.

8. In section 456:—

- (a) after subsection (1) insert the following subsection:—
- “(1A) Where the court is satisfied that an order subjecting the shares to the restrictions of this Part unfairly affects the rights of third parties in respect of shares then the court,

for the purpose of protecting such rights and subject to such terms as it thinks fit and in addition to any order it may make under subsection (1), may direct on an application made under that subsection that such acts by such persons or descriptions of persons and for such purposes, as may be set out in the order, shall not constitute a breach of the restrictions of Part XV of this Act.

Subsection (3) does not apply to an order made under this subsection.”;

- (b) in subsection (4) at the beginning insert “Without prejudice to the power of the court to give directions under subsection (1A),”.

9. The power of the court to give a direction under section 456(1A) as inserted by regulation 8 above, shall be exercisable in respect of any order made under section 210(5), 216(1) or 445(1), including such orders as may be in force upon the commencement of these Regulations.

17th July 1991

John Redwood
Minister of State,
Department of Trade and Industry

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend sections 210, 216 and 445 and Part XV (orders imposing restrictions on shares) of the Companies Act 1985, so as to permit orders imposing restrictions on shares to be made in a form protecting the rights of third parties. The Regulations also amend Part VI with respect to the making of interim orders by a court and further amend Part XV with respect to the circumstances in which restrictions imposed upon shares may be relaxed or removed.

Transitional provision is made with respect to subsisting orders of the court or of the Secretary of State which impose restrictions on shares.