



# 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.

#### **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))

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*Changes to legislation: There are currently no known outstanding effects for the Companies Act 2006,  
Cross Heading: Meaning of “subsidiary” and related expressions. (See end of Document for details)*

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#### 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.

#### 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:**

There are currently no known outstanding effects for the Companies Act 2006, Cross Heading:  
Meaning of “subsidiary” and related expressions.