
STATUTORY INSTRUMENTS

2016 No. 136

COMPANIES

**The Companies Act 2006 (Amendment
of Part 21A) Regulations 2016**

<i>Made</i>	- - - -	<i>8th February 2016</i>
<i>Laid before Parliament</i>		<i>8th February 2016</i>
<i>Coming into force</i>	- -	<i>5th April 2016</i>

The Secretary of State, being a Minister designated⁽¹⁾ for the purposes of section 2(2) of the European Communities Act 1972⁽²⁾ in relation to the creation, operation, regulation or dissolution of companies, makes the following Regulations in exercise of the powers conferred by section 2(2) of that Act.

Citation and commencement

1.—(1) These Regulations may be cited as the Companies Act 2006 (Amendment of Part 21A) Regulations 2016.

(2) These Regulations come into force on 5th April 2016.

Amendment of the Companies Act 2006

2. In section 790C of the Companies Act 2006⁽³⁾ (which explains some key terms in Part 21A of that Act and is inserted by paragraph 1 of Schedule 3 to the Small Business, Enterprise and Employment Act 2015⁽⁴⁾)—

(a) for subsection (4)(a) substitute—

“(a) they are “non-registrable” if they do not hold any interest in the company except through one or more legal entities over each of which they have significant control and—

(i) as respects any shares or right in the company which they hold indirectly as described in paragraph 9(1)(b)(i) of Schedule 1A, the legal entity

(1) S.I. 2007/193.

(2) 1972 c. 68; section 2(2) was amended by section 27(1) of the Legislative and Regulatory Reform Act 2006 (c. 51) and by Part 1 of the Schedule to the European Union (Amendment) Act 2008 (c. 7). The enabling powers of section 2(2) were extended by virtue of the amendment of section 1(2) by section 1 of the European Economic Area Act 1993 (c. 51).

(3) 2006 c. 46.

(4) 2015 c. 26.

- through which the shares or right are held is a relevant legal entity in relation to the company; and
- (ii) as respects any shares or right in the company which they hold indirectly as described in paragraph 9(1)(b)(ii) of Schedule 1A, at least one of the legal entities in the chain is a relevant legal entity in relation to the company”;
- (b) for subsection (8)(a) substitute—
- “(a) it is “non-registrable” if it does not hold any interest in the company except through one or more other legal entities over each of which it has significant control and—
 - (i) as respects any shares or right in the company which it holds indirectly as described in paragraph 9(1)(b)(i) of Schedule 1A, the legal entity through which the shares or right are held is also a relevant legal entity in relation to the company; and
 - (ii) as respects any shares or right in the company which it holds indirectly as described in paragraph 9(1)(b)(ii) of Schedule 1A, at least one of the legal entities in the chain is also a relevant legal entity in relation to the company;”.

8th February 2016

Baroness Neville-Rolfe
Parliamentary Under-Secretary of State and
Minister for Intellectual Property
Department for Business, Innovation and Skills

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations make two minor amendments to Part 21A of the Companies Act 2006.

The amendment to subsection (4) of section 790C has the effect that an individual with significant control over a company is registrable in relation to that company if the individual holds an interest in the company directly, or if each of the individual's indirect majority stake interests is not held through at least one relevant legal entity.

The amendment to subsection (8) of section 790C has the effect that a relevant legal entity, as defined in subsection (6), is registrable in relation to a company if the relevant legal entity holds an interest in the company directly, or if each of its indirect majority stake interests is not held through at least one other relevant legal entity.

A full impact assessment has not been produced for these Regulations as no impact on the private or voluntary sectors is foreseen.