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## STATUTORY INSTRUMENTS

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# 1986 No. 1032

## The Companies (Northern Ireland) Order 1986 (revoked)

### <sup>F1F1F1F1</sup>Part VIII

#### Accounts and Audit

#### [<sup>F1</sup>CHAPTER III]

#### SUPPLEMENTARY PROVISIONS

#### *Parent and subsidiary undertakings*

**F1** Order repealed (prosp.) by [Companies Act 2006 \(c. 46\), ss. 1284\(2\), 1295, 1300\(2\), Sch. 16](#) and the repeal being partly in force, as to which see individual Articles (with savings (with adaptations) by Companies Act 2006 (Commencement No. 6, Saving and Commencement Nos. 3 and 5 (Amendment)) Order 2008 (S.I. 2008/674), arts. 2(3), {4}, Sch. 2) and subject to amendments (6.4.2008) by [Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\), arts. 2\(2\), 3\(1\)\(b\)\(2\), Sch. 1 paras. 135, 147, 148 {Sch. 2 Note 1}](#) (with arts. 6, 11, 12) and subject to amendments (6.4.2008) by [S.R. 2008/133, {regs. 2, 3}](#)

#### **Parent and subsidiary undertakings**

**266** <sup>F1</sup>.—<sup>F2</sup>(1) The expressions “parent undertaking” and “subsidiary undertaking” in this Part shall be construed as follows; and a “parent company” means a parent undertaking which is a company.

(2) An undertaking is a parent undertaking in relation to another undertaking, a subsidiary undertaking, if—

- (a) it holds a majority of the voting rights in the undertaking, or
- (b) it is a member of the undertaking and has the right to appoint or remove a majority of its board of directors, or
- (c) it has the right to exercise a dominant influence over the undertaking—
  - (i) by virtue of provisions contained in the undertaking's memorandum or articles, or
  - (ii) by virtue of a control contract, or
- (d) it is a member of the undertaking and controls alone, pursuant to an agreement with other shareholders or members, a majority of the voting rights in the undertaking.

(3) For the purposes of paragraph (2) an undertaking shall be treated as a member of another undertaking—

- (a) if any of its subsidiary undertakings is a member of that undertaking, or
- (b) if any shares in that other undertaking are held by a person acting on behalf of the undertaking or any of its subsidiary undertakings.

**Status:** Point in time view as at 01/01/2006.

**Changes to legislation:** There are currently no known outstanding effects for the The Companies (Northern Ireland) Order 1986 (revoked), Cross Heading: Parent and subsidiary undertakings. (See end of Document for details)

(4) An undertaking is also a parent undertaking in relation to another undertaking, a subsidiary undertaking, if<sup>F3</sup> . . .

[<sup>F3</sup>(a) it has the power to exercise, or actually exercises, dominant influence or control over it, or]

(b) it and the subsidiary undertaking are managed on a unified basis.

(5) A parent undertaking shall be treated as the parent undertaking of undertakings in relation to which any of its subsidiary undertakings are, or are to be treated as, parent undertakings; and references to its subsidiary undertakings shall be construed accordingly.

(6) Schedule 10A contains provisions explaining expressions used in this Article and otherwise supplementing this Article.

**F1** mod. by SI 1994/1516

**F2** mod. SR 1994/133

**F3** SR 2004/496

**Status:**

Point in time view as at 01/01/2006.

**Changes to legislation:**

There are currently no known outstanding effects for the The Companies (Northern Ireland) Order 1986 (revoked), Cross Heading: Parent and subsidiary undertakings.