



Companies Act 1985

1985 CHAPTER 6

PART XA

CONTROL OF POLITICAL DONATIONS

VALID FROM 16/02/2001

^{F1}347D Special rules for subsidiaries.

- (1) This section applies where a company is a subsidiary of another company (“the holding company”).
- (2) Where the subsidiary is not a wholly-owned subsidiary of the holding company—
 - (a) it must not make any donation or incur any expenditure to which subsection (1) of section 347C applies unless the donation or expenditure is authorised by virtue of a subsidiary approval resolution passed by the holding company in general meeting before the relevant time; and
 - (b) this requirement applies in addition to that imposed by that subsection.
- (3) Where the subsidiary is a wholly-owned subsidiary of the holding company—
 - (a) it must not make any donation or incur any expenditure to which subsection (1) of section 347C applies unless the donation or expenditure is authorised by virtue of a subsidiary approval resolution passed by the holding company in general meeting before the relevant time; and
 - (b) this requirement applies in place of that imposed by that subsection.
- (4) For the purposes of this section a subsidiary approval resolution is a qualifying resolution of the holding company which authorises the subsidiary to do either (or both) of the following, namely—
 - (a) make donations to EU political organisations not exceeding in total a sum specified in the resolution, or
 - (b) incur EU political expenditure not exceeding in total a sum so specified, during the requisite period beginning with the date of the resolution.

Status: Point in time view as at 06/01/1997. This version of this provision is not valid for this point in time.

Changes to legislation: Companies Act 1985, Section 347D is up to date with all changes known to be in force on or before 23 September 2024. 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)

- (5) Subsection (3) of section 347C shall apply for the purposes of subsection (4) above as it applies for the purposes of subsection (2) of that section.
- (6) The resolution must be expressed in general terms conforming with subsection (4), and accordingly may not purport to authorise particular donations or expenditure.
- (7) The resolution may not relate to donations or expenditure by more than one subsidiary.
- (8) Where a subsidiary makes any donation or incurs any expenditure in contravention of subsection (2) or (3), no ratification or other approval made or given by the holding company or its members after the relevant time is capable of operating to nullify that contravention.
- (9) Nothing in this section enables a company to be authorised to do anything that it could not lawfully do apart from this section.

Textual Amendments

F1 Pt. XA (ss. 347A-347K) inserted (16.2.2001) by 2000 c. 41, s. 139, **Sch. 19** (with s. 156(6), Sch. 3 para. 12); S.I. 2001/222, art. 2, **Sch. 1 Pt. I** (subject to transitional provisions in Sch. 1 Pt. II)

Modifications etc. (not altering text)

C1 S. 347D(2)(3) restricted (16.2.2001) by S.I. 2001/445, **art. 2**

Status:

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