



Companies Act 1985

1985 CHAPTER 6

PART XIV

INVESTIGATION OF COMPANIES AND THEIR AFFAIRS; REQUISITION OF DOCUMENTS

Other powers of investigation available to the Secretary of State

442 Power to investigate company ownership.

- (1) Where it appears to the Secretary of State that there is good reason to do so, he may appoint one or more competent inspectors to investigate and report on the membership of any company, and otherwise with respect to the company, for the purpose of determining the true persons who are or have been financially interested in the success or failure (real or apparent) of the company or able to control or materially to influence its policy.
- (2) The appointment of inspectors under this section may define the scope of their investigation (whether as respects the matter or the period to which it is to extend or otherwise) and in particular may limit the investigation to matters connected with particular shares or debentures.
- [^{F1}(3) If an application for investigation under this section with respect to particular shares or debentures of a company is made to the Secretary of State by members of the company, and the number of applicants or the amount of shares held by them is not less than that required for an application for the appointment of inspectors under section 431(2)(a) or (b), then, subject to the following provisions, the Secretary of State shall appoint inspectors to conduct the investigation applied for.
- (3A) The Secretary of State shall not appoint inspectors if he is satisfied that the application is vexatious; and where inspectors are appointed their terms of appointment shall exclude any matter in so far as the Secretary of State is satisfied that it is unreasonable for it to be investigated.

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(3B) The Secretary of State may, before appointing inspectors, require the applicant or applicants to give security, to an amount not exceeding £5,000, or such other sum as he may by order specify, for payment of the costs of the investigation.

An order under this subsection shall be made by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.

(3C) If on an application under subsection (3) it appears to the Secretary of State that the powers conferred by section 444 are sufficient for the purposes of investigating the matters which inspectors would be appointed to investigate, he may instead conduct the investigation under that section.]

(4) Subject to the terms of their appointment, the inspectors’ powers extend to the investigation of any circumstances suggesting the existence of an arrangement or understanding which, though not legally binding, is or was observed or likely to be observed in practice and which is relevant to the purposes of the investigation.

Textual Amendments
F1 S. 442(3)–(3C) substituted for s. 442(3) by [Companies Act 1989 \(c. 40, SIF 27\)](#), **ss. 62, 213(2)**

443 Provisions applicable on investigation under s. 442.

(1) For purposes of an investigation under section 442, sections 433(1), 434, 436 and 437 apply with the necessary modifications of references to the affairs of the company or to those of any other body corporate, subject however to the following subsections.

(2) Those sections apply to—

- (a) all persons who are or have been, or whom the inspector has reasonable cause to believe to be or have been, financially interested in the success or failure or the apparent success or failure of the company or any other body corporate whose membership is investigated with that of the company, or able to control or materially influence its policy (including persons concerned only on behalf of others), and
- (b) any other person whom the inspector has reasonable cause to believe possesses information relevant to the investigation,

as they apply in relation to officers and agents of the company or the other body corporate (as the case may be).

(3) If the Secretary of State is of opinion that there is good reason for not divulging any part of a report made by virtue of section 442 and this section, he may under section 437 disclose the report with the omission of that part; and he may cause to be kept by the registrar of companies a copy of the report with that part omitted or, in the case of any other such report, a copy of the whole report.

F2(4)

Textual Amendments
F2 S. 443(4) repealed by [Companies Act 1989 \(c. 40, SIF 27\)](#), **ss. 212, 213(2), Sch. 24**

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444 Power to obtain information as to those interested in shares, etc.

- (1) If it appears to the Secretary of State that there is good reason to investigate the ownership of any shares in or debentures of a company and that it is unnecessary to appoint inspectors for the purpose, he may require any person whom he has reasonable cause to believe to have or to be able to obtain any information as to the present and past interests in those shares or debentures and the names and addresses of the persons interested and of any persons who act or have acted on their behalf in relation to the shares or debentures to give any such information to the Secretary of State.
- (2) For this purpose a person is deemed to have an interest in shares or debentures if he has any right to acquire or dispose of them or of any interest in them, or to vote in respect of them, or if his consent is necessary for the exercise of any of the rights of other persons interested in them, or if other persons interested in them can be required, or are accustomed, to exercise their rights in accordance with his instructions.
- (3) A person who fails to give information required of him under this section, or who in giving such information makes any statement which he knows to be false in a material particular, or recklessly makes any statement which is false in a material particular, is liable to imprisonment or a fine, or both.

445 Power to impose restrictions on shares and debentures.

- (1) If in connection with an investigation under either section 442 or 444 it appears to the Secretary of State that there is difficulty in finding out the relevant facts about any shares (whether issued or to be issued), he may by order direct that the shares shall until further order be subject to the restrictions of Part XV of this Act.
- (2) This section, and Part XV in its application to orders under it, apply in relation to debentures as in relation to shares.

446 Investigation of share dealings.

- (1) If it appears to the Secretary of State that there are circumstances suggesting that contraventions may have occurred, in relation to a company's shares or debentures, of section 323 or 324 (taken with Schedule 13), or of subsections (3) to (5) of section 328 (restrictions on share dealings by directors and their families; obligation of director to disclose shareholding in his own company), he may appoint one or more competent inspectors to carry out such investigations as are requisite to establish whether or not such contraventions have occurred and to report the result of their investigations to him.
- (2) The appointment of inspectors under this section may limit the period to which their investigation is to extend or confine it to shares or debentures of a particular class, or both.
- (3) For purposes of an investigation under this section, sections 434 [F3 to 437] apply—
 - (a) with the substitution, for references to any other body corporate whose affairs are investigated under section 433(1), of a reference to any other body corporate which is, or has at any relevant time been, the company's subsidiary or holding company, or a subsidiary of its holding company, . . . F4
 - (b) F4
- (4) Sections 434 to 436 apply under the preceding subsection—

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- [^{F5}(a) to any individual who is an authorised person within the meaning of the Financial Services Act 1986;
- (b) to any individual who holds a permission granted under paragraph 23 of Schedule 1 to that Act;
- (c) to any officer (whether past or present) of a body corporate which is such an authorised person or holds such a permission;
- (d) to any partner (whether past or present) in a partnership which is such an authorised person or holds such a permission;
- (e) to any member of the governing body or officer (in either case whether past or present) of an unincorporated association which is such an authorised person or holds such a permission].

- (5) F6
- (6) F7
- (7) F8

Textual Amendments

- F3** Words substituted by [Financial Services Act 1986 \(c. 60, SIF 69\)](#), s. 182, **Sch. 13 para. 8(a)**
- F4** [S. 446\(3\)\(b\)](#) and the word “and” preceding it repealed by [Companies Act 1989 \(c. 40, SIF 27\)](#), ss. 212, 213(2), **Sch. 24**
- F5** [S. 446\(4\)\(a\)–\(e\)](#) substituted for [s. 446\(4\)\(a\)–\(c\)](#) by [Financial Services Act 1986 \(c. 60, SIF 69\)](#), s. 212(2), **Sch. 16 para. 21**
- F6** [S. 446\(5\)](#) repealed by [Financial Services Act 1986 \(c. 60, SIF 69\)](#), ss. 182, 212(3), **Sch. 13 para. 8(b)**, Sch. 17 Pt. I
- F7** [S. 446\(6\)](#) repealed by [Financial Services Act 1986 \(c. 60, SIF 69\)](#), s. 212(3), **Sch. 17 Pt. I**
- F8** [S. 446\(7\)](#) repealed by [Companies Act 1989 \(c. 40, SIF 27\)](#), ss. 212, 213(2), **Sch. 24**

Modifications etc. (not altering text)

- C1** [S. 446\(4\)\(c\)–\(e\)](#) amended (1.1.1993) by [S.I. 1992/3218](#), reg. 82(1), **Sch. 10 Pt. I para.16**.
- C2** [S. 446\(4\)\(c\)–\(e\)](#) amended (1.1.1996) by [S.I. 1995/3275](#), reg. 57, **Sch. 10 Pt. I para. 4**

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