



# Companies Act 1985

## 1985 CHAPTER 6

### PART VI

#### DISCLOSURE OF INTERESTS IN SHARES

##### *Individual and group acquisitions*

#### **199 Interests to be disclosed.**

(1) For purposes of the obligation of disclosure, the interests to be taken into account are those in relevant share capital of the company concerned.

[<sup>F1</sup>(2) Where a person is interested in shares comprised in relevant share capital, then—

- (a) if in some or all of those shares he has interests which are material interests, he has a notifiable interest at any time when the aggregate nominal value of the shares in which those material interests subsist is equal to or more than 3 per cent. of the nominal value of that share capital; and
- (b) he has a notifiable interest at any time when, not having such an interest by virtue of paragraph (a), the aggregate nominal value of the shares in which he has interests (whether or not including material interests) is equal to or more than 10 per cent. of the nominal value of the relevant share capital.

(2A) For the purposes of this Part, a material interest is any interest other than—

- (a) an interest which a person [<sup>F2</sup>who may lawfully] manage investments belonging to another has by virtue of having the management of such investments under an agreement in or evidenced in writing;
- (b) an interest which a person has by virtue of being the operator of—
  - (i) an authorised unit trust scheme;
  - (ii) a recognised scheme; or
  - (iii) a UCITS (as defined in subsection (8));

[<sup>F3</sup>(bb) an interest belonging to an [<sup>F4</sup>open-ended investment company];]

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- (c) an interest in shares in a listed company which, if that company were not listed, would fall to be disregarded by virtue of section 209(10); or
  - (d) an interest of another which a person is taken to have by virtue of the application of section 203 or 205, where the interest of that other person falls within paragraph [F5(a), (b),(bb) or (c)].]
- (3) All facts relevant to determining whether a person has a notifiable interest at any time (or the percentage level of his interest) are taken to be what he knows the facts to be at that time.
- (4) The obligation of disclosure arises under section 198(1) or (3) where the person has a notifiable interest immediately after the relevant time, but did not have such an interest immediately before that time.
- (5) The obligation also arises under section 198(1) [F6or (3)] where—
- (a) the person had a notifiable interest immediately before the relevant time, but does not have such an interest immediately after it, or
  - (b) he had a notifiable interest immediately before that time, and has such an interest immediately after it, but the percentage levels of his interest immediately before and immediately after that time are not the same.
- [F7(6) For the purposes of subsection (2A), a person (“A”) may lawfully manage investments belonging to another if—
- (a) A can manage those investments in accordance with a permission which A has under Part 4 of the Financial Services and Markets Act 2000;
  - (b) A is an EEA firm of the kind mentioned in sub-paragraph (a) or (b) of paragraph 5 of Schedule 3 to that Act, and can manage those investments in accordance with its EEA authorisation;
  - (c) A can, in accordance with section 327 of that Act, manage those investments without contravening the prohibition contained in section 19 of that Act; or
  - (d) A can lawfully manage those investments in another Member State and would, if he were to manage those investments in the United Kingdom, require permission under Part 4 of that Act.
- [F7(7) References in this section to the management of investments must be read with—
- (a) section 22 of the Financial Services and Markets Act 2000;
  - (b) any relevant order under that section; and
  - (c) Schedule 2 to that Act.]

[F8(8) In this Part “UCITS” means a collective investment scheme which—

    - (a) is constituted in a member State other than the United Kingdom, and
    - (b) [F9is certified by the competent authority in that member State as complying with the conditions imposed]by Council Directive 85/611/EEC<sup>M1</sup> co-ordinating the laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities;

and [F10subsection (5) of section 264 of the Financial Services and Markets Act 2000] (meaning of “constituted in a member State”) applies for the purposes of paragraph (a) of this subsection as it applies for the purposes of that section.]

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**Textual Amendments**

**F1** S. 199(2)(2A) substituted (18.9.1993) for s. 199(2) by S.I. 1993/1819, reg. 4(1)

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- F2** Words in s. 199(2A)(a) substituted (1.12.2001) by S.I. 2001/3649, **arts. 1, 8(1)(2)**
- F3** S. 199(2A)(bb) inserted (6.1.1997) by S.I. 1996/2827, reg. 75, Sch. 8 Pt. I para. 5
- F4** Words in s. 199(2A)(bb) substituted (1.12.2001) by S.I. 2001/1228, regs. 1(2)(3), 84, **Sch. 7 para. 4(1)(2)**; S.I. 2001/3538, **art. 2(1)**
- F5** Words in s. 199(2A)(d) substituted (1.12.2001) by S.I. 2001/1228, regs. 1(2)(3), 84, **Sch. 7 para. 4(1)(3)**; S.I. 2001/3538, **art. 2(1)**
- F6** Words in s. 199(5) inserted (18.9.1993) by S.I. 1993/1819, **reg. 4(2)**
- F7** S. 199(6)(7) substituted (1.12.2001) by S.I. 2001/3649, **arts. 1, 8(1)(3)**
- F8** S. 199(8) inserted (18.9.1993) by S.I. 1993/1819, **reg. 4(3)**
- F9** Words in s. 199(8)(b) substituted (1.12.2001) by S.I. 2001/3649, **arts. 1, 8(1)(4)(a)**
- F10** Words in s. 199(8) substituted (1.12.2001) by S.I. 2001/3649, **arts. 1, 8(1)(4)(b)**

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**Marginal Citations**

- M1** OJ No L375, 31.12.85, p.3.

**Status:**

Point in time view as at 01/12/2001. This version of this provision has been superseded.

**Changes to legislation:**

There are currently no known outstanding effects for the Companies Act 1985, Section 199.