



Companies Act 1985

1985 CHAPTER 6

^{F1}PART XXV

MISCELLANEOUS AND SUPPLEMENTARY PROVISIONS

726 Costs and expenses in actions by certain limited companies.

- (1) Where in England and Wales a limited company is plaintiff in an action or other legal proceeding, the court having jurisdiction in the matter may, if it appears by credible testimony that there is reason to believe that the company will be unable to pay the defendant's costs if successful in his defence, require sufficient security to be given for those costs, and may stay all proceedings until the security is given.
- (2) Where in Scotland a limited company is pursuer in an action or other legal proceeding, the court having jurisdiction in the matter may, if it appears by credible testimony that there is reason to believe that the company will be unable to pay the defender's expenses if successful in his defence, order the company to find caution and sist the proceedings until caution is found.

Modifications etc. (not altering text)

C1 [S. 726](#) applied (with modifications) (6.4.2001) by [S.I. 2001/1090](#), reg. 4, [Sch. 2 Pt. I](#)

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Point in time view as at 01/12/2001. This version of this provision has been superseded.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 726.