



British Steel Act 1988

1988 CHAPTER 35

Provisions relating to Government holdings in the successor company

3 Initial Government holding in the successor company

- (1) As a consequence of the vesting in the successor company by virtue of section 1 of property, rights and liabilities of the Corporation, the successor company shall issue such securities of the company as the Secretary of State may from time to time direct; and any such securities shall, as the Secretary of State may so direct—
 - (a) be issued to the Treasury or the Secretary of State, or
 - (b) be allotted to the Treasury or the Secretary of State and subsequently issued to the persons for the time being entitled to be issued with them (who may include the Treasury or the Secretary of State).
- (2) The Secretary of State shall not give a direction under subsection (1) at a time when the successor company has ceased to be wholly owned by the Crown.
- (3) Securities to be issued or allotted in pursuance of this section shall be issued or allotted at such time or times, and (subject to subsection (4)) on such terms, as the Secretary of State may direct.
- (4) Any shares issued in pursuance of this section—
 - (a) shall be of such nominal value as the Secretary of State may direct; and
 - (b) shall be issued as fully paid and treated for the purposes of the Companies Act 1985 as if they had been paid up by virtue of the payment to the successor company of their nominal value in cash.
- (5) The Secretary of State may not exercise any power conferred on him by this section, or dispose of any securities issued or of any rights to securities initially allotted to him in pursuance of this section, without the consent of the Treasury.
- (6) Any dividends or other sums received by the Treasury or the Secretary of State in right of, or on the disposal of, any securities or rights acquired by virtue of this section shall be paid into the Consolidated Fund.